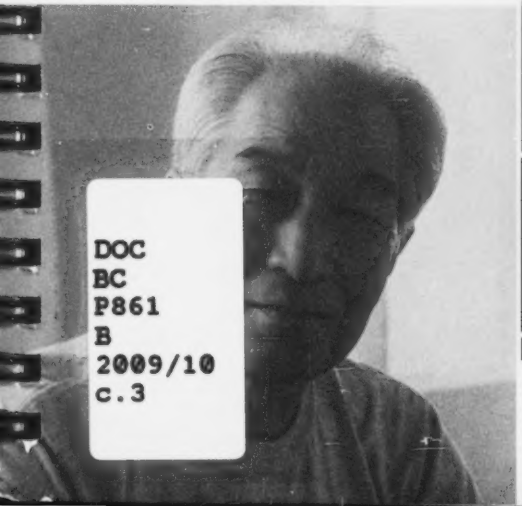
PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

Annual Report 2009 | 2010



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OUR VISION

Rights, choices and security for all British Columbians.

OUR MISSION

The Public Guardian and Trustee is appointed to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

OUR VALUES

Seven major values underpin PGT work and are reflected in all aspects of PGT performance:

Integrity:

Client centred service:

Openness:

Respect:

Teamwork:

Staff support:

Innovation:

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Message from the Public Guardian and Trustee *...continued*

Our relationships with Aboriginal Child and Family Service agencies are increasing in both number and complexity, reflecting our shared guardianship roles associated with the continuing provincial devolution of statutory authority for child protection.

The PGT is also working in conjunction with other organizations and the federal government to promote enhanced financial literacy for our clients. This was a recommendation in our 2009 report on guardian of estate services to children in continuing care. And, later in life, enhancing legal and financial literacy for adult British Columbians as part of preparing for possible future incapacity promotes uptake of the new tools available under the revised BC laws.

The PGT is continuing to implement a multiyear plan of enhancing internal controls to more effectively meet the modern demands of a fiduciary responsible for protecting the assets of others. Corporate fiduciaries everywhere are placing renewed focus on entity level controls and in this regard, the PGT has established an Audit Advisory Committee to provide expert external advice.

Fiscal pressures remain extremely difficult with a corresponding impact on constraining service improvements. The PGT has limited ability to mitigate increased demand for service and a major growth in demand is anticipated as the number of dementia cases rises, reflecting changing demographics. Difficulties associated with current service constraints will be exacerbated unless resourcing issues are resolved. We will continue to press our case with government that these resourcing issues must be addressed. In the meantime, our staff continue to deliver remarkable client services despite these pressures.

Our work this past year has truly reflected the maturity of the organization created 10 years ago to play a broader, more fundamental protective role for vulnerable British Columbians. My staff and I look forward to continuing to work in partnership with our clients, their families, government, service partners and others in delivering this unique and vital service.

Jay Chalke, Q.C.
Public Guardian and Trustee

2009 | 2010 Performance Report

PUBLIC GUARDIAN
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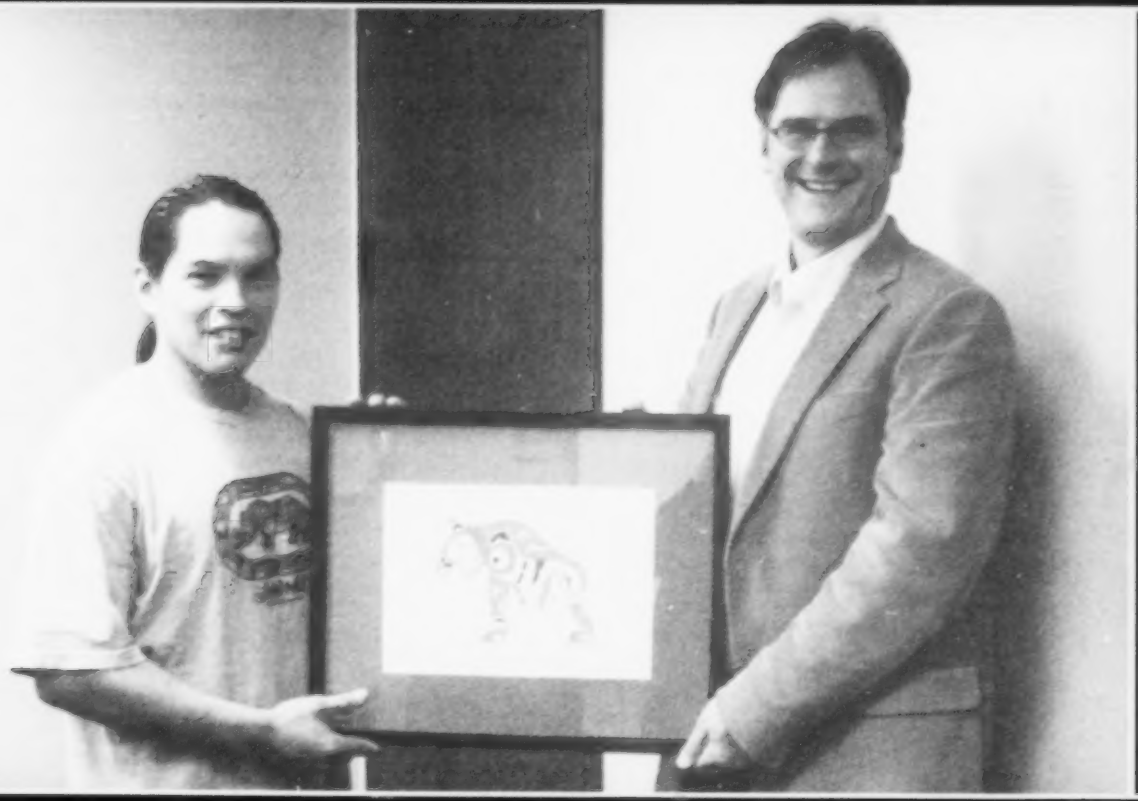


PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

Vancouver First Nations artist Yul Hawkridge was commissioned to create some of his works for the PGT. Hawkridge is seen here with an example of his art alongside Jay Chalke, Public Guardian and Trustee.

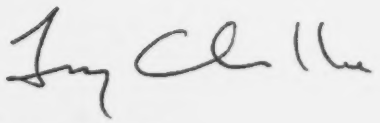
Accountability Statement

The 2009/2010 Performance Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the twelve months ended March 31, 2010. The report addresses all significant events that occurred, and decisions made, up to August 30, 2010.

The information presented represents a comprehensive picture of our actual performance in relation to our Service Delivery Plan. The report contains estimates and significant interpretive information that represents the best judgement of management.

The measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

The report is intended for a general audience. Specific users may require more detailed information than is contained in this report. The report has been prepared in accordance with the *Public Guardian and Trustee Act* and British Columbia Performance Reporting Principles.



Jay Chalke, Q.C.
Public Guardian and Trustee

August 30, 2010

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Auditors' Report

To:
The Public Guardian and Trustee of British Columbia,
The Attorney General, Province of British Columbia, and
The Members of the Legislative Assembly of British Columbia

We have audited the accompanying 2009/2010 Performance Report (Performance Report) of the Public Guardian and Trustee of British Columbia (PGT) for the year ended March 31, 2010 based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *Public Guardian and Trustee Act (PGT Act)* and on the Performance Reporting Principles For the British Columbia Public Sector (BC Performance Reporting Principles) endorsed by the Government of British Columbia, the Legislative Assembly's Select Standing Committee on Public Accounts, and the Auditor General of British Columbia in 2003 for use by public sector organizations in the Province of British Columbia. The Performance Report and its fair presentation in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles are the responsibility of the PGT. Our responsibility is to express an opinion, based on our audit, on the fair presentation of the Performance Report in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

We conducted our audit in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the Performance Report is fairly presented in conformance, in all material respects, with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report, evaluating the fair presentation of the Performance Report in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles, and performing such other procedures as we considered necessary in the circumstances.

The Performance Report contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. Such representations are the opinions of the PGT, and inherently cannot be subject to independent verification. Further, as described in Section E of the Performance Report, the tables and related information in Section E of the Performance Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this audit; accordingly, with respect to the tables and related information in Section E of the Performance Report, our audit was limited to providing reasonable assurance that the Performance Report is consistent with the audited financial statements contained in the PGT's 2009/2010 Annual Report.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we independently verified the representations described in the paragraph above and had we performed a more extensive examination of the tables and related information in Section E of the Performance Report as referred to in the paragraph above, the PGT's Performance Report for the year ended March 31, 2010 is fairly stated in conformance, in all material respects, with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

The attached Appendix to this report provides further explanation regarding the fair presentation of the Performance Report in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

KPMG LLP

Chartered Accountants

Vancouver, Canada
August 30, 2010

KPMG

Appendix to the Auditors' Report on the 2009/2010 Performance Report of the Public Guardian and Trustee of British Columbia

This Appendix summarizes and explains selected key aspects of how the Performance Report is fairly presented in conformance, in all material respects, with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

BC Performance Reporting Principle 1 – Explain the Public Purpose Served

The Performance Report identifies and explains the PGT's mandate, enabling legislation, mission, vision, and organizational structure. Core program areas, services, clients, and stakeholders are described, as is the role of service partners. The PGT's role and relation to the courts and the Crown are explained. The Performance Report describes the PGT's seven major values and how they guide and are embedded in the PGT's operations.

BC Performance Reporting Principle 2 – Link Goals and Results

The Performance Report identifies and explains the PGT's mandate and vision, its service delivery plan including its mission, the goals it has identified in support of its mission and vision, the related more detailed objectives and performance measures, and its actual results, providing linkages and a logical flow between them. The relevance and relation to long-term outcomes are identified and explained for key performance measures and results. Variances between planned and actual results are identified and explained. The impact of results on the PGT's future direction is also identified and explained where relevant.

BC Performance Reporting Principle 3 – Focus on the Few Critical Aspects of Performance

The PGT's April 1, 2009 – March 31, 2012 Service Delivery Plan identifies the PGT's five goals related to the three aspects of its mission, two to five specific objectives related to each goal, and related specific performance measures. Except for five performance measures that were discontinued during the year – because they were subject to proclamation of new legislation, which did not occur during the year, which is explained in the Performance Report – the Performance Report repeats this information from the Service Delivery Plan in a format that more directly links each performance measure with the related objective, and further provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.

BC Performance Reporting Principle 4 – Relate Results to Risk and Capacity

The Performance Report summarizes management's approach to risk, including risk identification and assessment, consideration of potential impacts of risks on achievement of PGT goals, and consideration of risk tolerance and mitigation strategies. It summarizes management's view of the significant risks faced by the PGT, related potential causes including capacity issues, and current and possible risk mitigation strategies for dealing with the risks. Current capacity is described in relation to current results and to the PGT's ability to deliver on its organizational goals and objectives.

BC Performance Reporting Principle 5 – Link Resources, Strategies and Results

The Performance Report identifies the major sources, nature, and amounts of the PGT's funding, provides budgeted and actual revenues and expenses by program area and for the PGT as a whole, and explains key variances between budgeted and actual revenues and expenses for the PGT as a whole. Year-over-year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies, for each program area and for the PGT as a whole, the

total staff, number of clients, and financial indicators including revenue, expenses, and assets under administration. The Performance Report identifies trends and issues impacting results, revenues, and expenses, and also describes how resources, strategies, and results are linked, including linking areas of expenditure with its goals that are most directly affected by the expenditures. The Performance Report links financial and performance information in a way that should help readers understand the efficiency and economy of the PGT's operations.

BC Performance Reporting Principle 6 – Provide Comparative Information

For each identified specific performance measure linked to the PGT's goals, when applicable the Performance Report provides clear comparisons between planned results, actual results, and previous years' results, as well as targeted results for the following year. When relevant, explanations are provided of changes in the nature, source data, and/or calculation of the performance measures. Year-over-year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies trends and issues impacting results, revenues, and expenses. The Performance Report also explains the reasons for the lack of provision in the Performance Report of comparative information to similar organizations.

The *PGT Act*, and BC Performance Reporting Principle 7 – Present Credible Information, Fairly Interpreted

The Performance Report has been made by the PGT to the Attorney General, Province of British Columbia, by September 30, 2010 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*. Our related auditors' report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our auditors' report, our opinion relates to the credibility of the information in the Performance Report, including its fair presentation in conformance, in all material respects, with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles based on the best judgement of the PGT.

BC Performance Reporting Principle 8 – Disclose the Basis for Key Reporting Judgements

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported on. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing his accountability for the Performance Report, and representing (among other things) that: the Performance Report has been prepared in accordance with the *PGT Act* and the BC Performance Reporting Principles; that it contains estimates and significant interpretive information that represents the best judgement of management; that the measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding the organization's performance; and that it reflects the actual performance of the PGT for the twelve months ended March 31, 2010.

Special Activities in 2009/2010

The focus of the Public Guardian and Trustee is on serving clients by carrying out statutory duties. This requires undertaking a range of activities to respond to new legal requirements, changes in technology, service partner needs, evolving security standards, demographic change, increased demand for services, enhanced accountability standards, and cost pressures. In 2009/10, the PGT participated in the following special activities:

Direct Service

- Joined BC government organizations in signing the Youth with Special Needs Protocol Agreement to improve access to existing supports and provide coordinated transition planning to adulthood for youth with special needs and their families.
- Partnered with the Broadway Youth Resource Centre in Vancouver to open a part time office as a pilot project to deliver direct services to children and youth in care from a storefront location.
- Established a Grant Application Review Services team to streamline reviews of applications for grants of probate or administration of estates in which minor children and/or incapable adults have an interest.
- Enhanced PGT ability to manage client tax matters by obtaining secure online access to taxpayer information for PGT clients through the Represent A Client service of the Canada Revenue Agency and by replacing couriered data tape exchange with data file protocol.
- PGT staff member named a Premier's Awards finalist in the legacy category for her work fostering community development to prevent and respond to abuse, neglect and self neglect of vulnerable adults.
- Worked in conjunction with Health Authorities to develop a fact sheet for Temporary Substitute Decision Makers (TSDMs) who are authorized by the PGT to make health care decisions to explain their responsibilities and scope of decision making.
- Continued to implement new processes to improve efficiency and effectiveness of Private Committee services, including selection of files to undergo more in depth review of accounts.
- Issued the first annual public report regarding the PGT role as Guardian of Estate on behalf of children in continuing provincial care.
- Developed processes for enhanced tracking and reporting of legal outcomes related to reports of critical incidents involving children in continuing care.
- Sold 146 real properties on behalf of clients, an increase of 43% from the previous year.
- Continued to represent the interests of PGT clients in various class proceedings such as the Woodlands School and the tainted blood class actions and the Atomic Veterans review.
- Conducted a preliminary review of the *BC Residential Care Regulations* in relation to the use of restraints within licensed care facilities.
- Filed 299 probate applications with the Supreme Court of British Columbia for estates of deceased persons.
- Acted to minimize delays for adult clients requiring H1N1 flu shots by working with service partners to streamline requests for substitute informed consent.
- Traced heirs and beneficiaries throughout Canada and other countries.
- Distributed almost $24 million in funds of deceased estates to heirs and beneficiaries.
- Improved client service through continued business process reengineering.

Service Partners

- Facilitated discussions between the Vancouver Island Health Authority and the Kwakiutl District Council to develop a protocol for investigation on reserve of abuse, neglect, and self neglect allegations under Part 3 of the *Adult Guardianship Act*. The protocol is intended to be used as a model to assist other First Nations and Designated Agencies across BC.
- Attended as an invited observer at the Third Indigenous Child at the Centre Forum.
- Initiated a partnership with Vital Statistics BC to streamline the PGT obtaining documentation for children in continuing care thus facilitating the PGT applying for various programs on behalf of children and youth.
- Made 84 public presentations regarding PGT responsibilities.
- Developed a partnership with Human Resources Development Canada (HRDC) to facilitate applying for Social Insurance Numbers on behalf of children in continuing care.
- Initiated a project to improve the information flow between Ministry of Children and Family Development (MCFD) and the PGT for annual status reports respecting children in continuing care.
- Participated in development of the Vanguard Report, a strategy document to address issues related to vulnerable adults and capability in BC.
- Participated with MCFD, the Representative for Children and Youth, and the Ministry of Attorney General in initial meetings of the joint Guardianship Task Force to identify the roles of guardian for children in various types of provincial care.
- Liaised with MCFD to develop terms of reference for an MCFD/PGT Provincial Liaison Committee.

Capacity Building

- Developed an enhanced Enterprise Risk Management framework and process and executed an enterprise risk assessment.
- Undertook significant enhancement of PGT Information Technology Services to enhance security and provide for continuing stable operations.
- Developed a business case for replacement of COMET, the PGT legacy trust accounting system.
- Implemented improvements to the PGT case management system, including development of new and enhanced management information reports.
- Completed the assessment phase of an extensive Continuous Improvement Program to enhance the PGT internal controls framework and improve related business processes.
- Implemented an enhanced security clearance policy.
- Updated and enhanced the PGT business continuity plan to provide services in the event of a disaster.

Interjursidictional

- Liaised with Government of Canada, other Canadian PGTs, and financial institutions regarding Registered Disability Savings Plans, particularly as RDSPs relate to individuals who do not have a formal legal substitute decision maker.
- Participated in a national forum on financial literacy as it relates to children in care.
- Liaised with other jurisdictions regarding Canadian implementation of various international instruments affecting people under legal disability.
- Developed working relationships with three Delegated Aboriginal Child and Family Service Agencies with respect to Registered Disability Savings Plans.
- Signed a protocol agreement with the Vancouver Aboriginal Child and Family Services Society outlining the relationship between the society and the PGT with respect to the shared role as guardians for children in continuing care.
- Initiated discussions with Ayas Men Men (Squamish First Nation) to develop a protocol agreement with respect to the shared role as guardians for children in continuing care.
- Consulted with the Tsawwassen First Nation (TFN) regarding implications of TFN *Children and Families Act* passed under the new Treaty.
- Participated in activities of the National Association of Public Trustees and Guardians to address issues affecting the interests of PGT clients.
- Hosted researchers from Japan seeking information regarding the adult guardianship regime in British Columbia.

A. Mandate, Mission, Vision and Values

1. Mandate

The PGT is a corporation sole established under the *Public Guardian and Trustee Act*.

The PGT mandate is to serve:

- Children and youth under the age of 19 by protecting their legal and financial interests;
- Adults who require assistance in decision making through protection of their legal rights, financial interests, personal and health care interests; and
- Deceased persons where there is no one willing or able to administer their estates, the estates of missing persons, and the beneficiaries of personal trusts.

The current Public Guardian and Trustee is Jay Chalke, Q.C., who was reappointed by the Lieutenant Governor in Council to a six year term effective February 28, 2006. The PGT can serve a maximum of two terms.

During 2009/10, the PGT provided services through 234 employee positions to approximately 32,000 clients and administered approximately $809 million of trust assets. When managing the financial affairs of an individual, estate, or trust, the PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a Trustee or an Agent.

The PGT exercises quasi judicial authority in specific situations as a result of obligations created by statutory law. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, adults with legal disabilities, or estates are at risk.

The PGT has a fiduciary duty to advance the private interests of its clients even if they are contrary to the interests of the provincial government and therefore is independent of all governments in its case related decision making responsibilities.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

The PGT is a *corporation sole*. This is a corporate legal structure in which all authority and responsibility is vested in a single office holder who may delegate authority and who operates without a board of directors. This structure is used primarily in situations requiring clear accountability and is a common model for Public Guardians and Trustees in Canada.

2. Mission

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial, and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

3. Vision

The PGT vision is "Rights, choices and security for all British Columbians".

Numerous acts set out the powers and duties of the PGT. Key provincial statutes include:

- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act*
- *Estates of Missing Persons Act*
- *Family Relations Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trustee Act*
- *Trust and Settlement Variation Act*
- *Wills Variation Act*

4. PGT Values

1) Integrity: As a fiduciary, the PGT and staff act in accordance with the highest ethical, legal and personal standards.

2) Client centred service: Clients are the focus of PGT services and PGT staff constantly strive to provide quality customer service.

3) Openness: Annual statutory public reporting on all aspects of PGT performance ensures accountability and transparency to clients, government and the public.

4) Respect: We treat clients, family and friends in a courteous, respectful manner.

5) Teamwork: PGT staff work with one another and with service partners in striving for seamless service delivery.

6) Staff support: Staff members are acknowledged to be the greatest resource of the PGT and are recognized and appreciated for their expertise and professionalism.

7) Innovation: PGT staff are encouraged to be alert to new and better ways of delivering service and helping clients.

B. Accountability Framework

The PGT is accountable to the provincial Government, the Legislature, the public and directly to PGT clients. Overall accountability is exercised through the Government's review and approval of the PGT service delivery plan, public reporting on performance, and through annual independent performance and financial audits. Accountability to PGT clients is exercised through internal review processes, the Ombudsperson and judicial oversight of PGT statutory and fiduciary obligations.

1. Prospective Performance Planning

Section 22 of the *Public Guardian and Trustee Act* requires the PGT to prepare an annual three year service delivery plan (SDP) and deliver it to the Attorney General not later than December 31st for the upcoming three fiscal years starting the following April 1. If approved by the Attorney Ceneral, the plan must be submitted to the provincial Treasury Board for approval. The *Act* specifies content of the SDP.

2. Retrospective Performance Reporting

Section 25 of the *Public Guardian and Trustee Act* requires the PGT to report to the Attorney General in each fiscal year on operations of the office for the preceding fiscal year. This annual report must be provided to the Attorney General by September 30th and thereafter tabled in the Legislative Assembly. The *Act* stipulates that the annual report must include an audited performance report relating to the performance targets and other objectives established in the SDP, and audited financial statements for both the operations of the PGT and the stewardship of estates and trusts under administration.

The statutory requirement for annual independent audits of both the PGT performance report and the two PGT financial statements is unique among BC public bodies.

3. Judicial Oversight

All PGT services are mandated by statute and the PGT is accountable to clients and ultimately to the court for actions taken on behalf of clients. Many PGT functions are fiduciary in nature and judicial oversight mechanisms are highly developed.

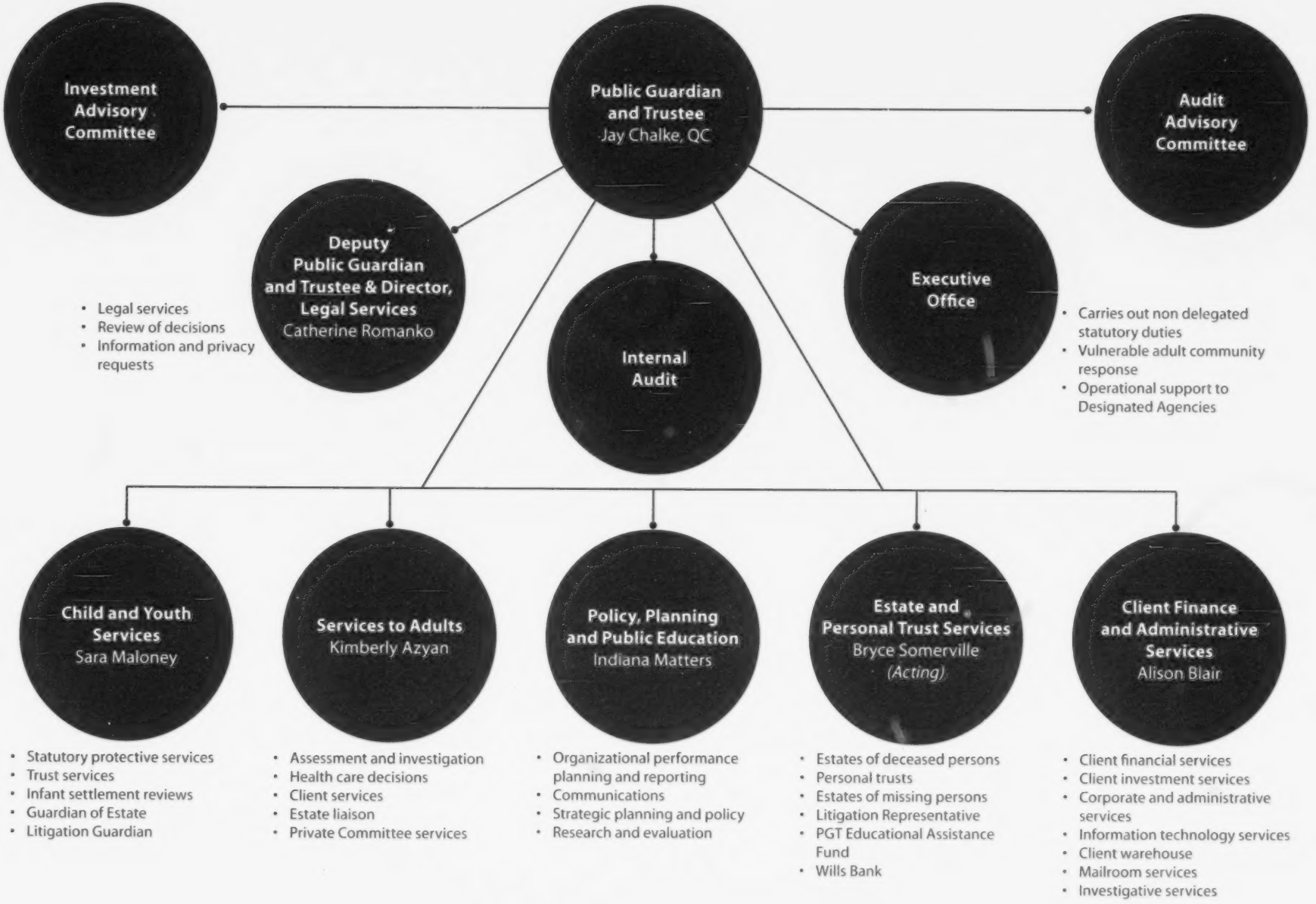
C. Program Areas

The PGT provides services to clients through three broad program areas: Child and Youth Services; Services to Adults; and Estate and Personal Trust Services. These are supported by Client Finance and Administrative Services; Legal Services; and Policy, Planning, and Public Education.

The Executive Office provides overall direction, coordination, consultation with Public Guardians and Trustees in other jurisdictions, coordination of Vulnerable Adult Community Response and non delegated statutory duties such as approval of infant settlement reviews, the most serious substitute health care decisions, and major trust disbursements. An Internal Audit unit provides internal audit services.

The PGT is assisted by two advisory committees. The *Investment Advisory Committee* is a statutory committee established under the *Public Guardian and Trustee Act* to advise on investment strategic policy. The *Audit Advisory Committee* is established by the PGT to review and advise on internal and external audit plans and reports.

Public Guardian and Trustee of British Columbia Organizational Chart (as at March 31, 2010)



PGT Stakeholders and Service Partners

PGT Primary Client Groups

Almost all PGT clients are identified in BC's Great Goal Number Three: *Build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.*

- Children in continuing care of the Province without legal guardians
- Seniors who require assistance with decision making
- Adults with developmental disabilities
- Adults experiencing abuse, neglect or self neglect
- Children with trust funds
- Children who have no Litigation Guardian
- Adults with acquired brain injuries
- Heirs and beneficiaries of estates of deceased and missing persons
- Beneficiaries of personal trusts
- Children whose guardians wish to settle a claim for damages on behalf of the child
- Adults with serious mental disorders or mental illness
- Incapable adults without family who require health care decisions

Key PGT External Relationships

Clients are at the core of all PGT activity. The PGT liaises with and/or works in partnership with a broad range of individuals and organizations in helping clients meet their needs.

- Family and friends of clients
- Community groups
- Insurance Corporation of BC (ICBC)
- BC Unclaimed Property Society
- Public service partners with statutory authority, e.g., Community Living BC, Representative for Children and Youth, Assisted Living Registrar, Health Authorities, Aboriginal Child and Family Service Agencies, Delegated Agencies and BC Coroners Service
- Provincial Government Ministries, e.g., Children and Family Development, Housing and Social Development, Attorney General, and Health
- Court of Appeal, Supreme Court and Provincial Court of British Columbia where interests of parties under disability are at issue
- Law Society of British Columbia
- Canadian Bar Association (BC Branch) with respect to law reform initiatives impacting the interests of PGT clients
- First Nations
- Government of Canada, e.g., Indian and Northern Affairs Canada, Canada Revenue Agency, Department of Veterans Affairs

Key PGT Private Sector Relationships

The PGT works with a wide range of private sector service providers in meeting its responsibilities for protecting the personal, legal and financial interests of clients.

- Private service providers, e.g., care facilities, funeral homes, personal attendants
- Personal service providers
- Financial institutions, e.g., banking, investment services, private investment managers
- Lawyers
- Accountants
- Insurance providers
- Heir tracers
- BC Investment Management Corporation (bcIMC) – Pooled investment funds
- Real property managers
- Medical and social services professionals

1. Child and Youth Services

The PGT acts under the authority of a range of provincial statutes to protect the legal and financial interests of minors. In carrying out this work, the Child and Youth Services division (CYS) works on behalf of and directly with children and youth as well as with their parents or guardians.

Some statutes direct the PGT to carry out a protective review function to ensure that a minor's legal and property interests are protected, whereas other statutes authorize the PGT to act directly on behalf of a minor in the role of Guardian of Estate, Litigation Guardian or Trustee.

CYS has three business lines.

a. Guardian of Estate

As Guardian of Estate, the PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies. It has the duty to protect the legal and property interests of minors who are in continuing care of the Province. The PGT is also Guardian of Estate of children who have no legal guardian or who are undergoing adoption. During 2009/10, the PGT acted as Guardian of Estate for 6,578 children and youth, almost all of whom were in continuing care.

In this capacity, the PGT acted as Litigation Guardian for some children, advancing legal claims for damages including claims arising from abuse of children in care. The PGT also pursued financial benefits, such as Canada Pension Plan Orphan's Benefits, to which PGT clients were entitled.

b. Trustee

Trust funds received by the PGT on behalf of children include personal injury settlement proceeds, life insurance proceeds where a minor is a beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named, and a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for the benefit of the child.

During 2009/10, the PGT served as trustee for 12,227 minors with trusts.

c. Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to claims such as those arising from medical malpractice, motor vehicle accidents, and/or the wrongful death of a parent or guardian. These reviews ensure that the settlements are reasonable and in the best interests of the minors. During 2009/10, CYS lawyers completed reviews of 573 proposed settlements of minors' claims.

To protect the property interests of minors in trusts and estates, the PGT also reviews notices of applications to administer an estate of a deceased person or to vary a trust or a will wherever a minor is a beneficiary or may be entitled to a share in the estate or trust. During 2009/10, the PGT received 1,780 notices affecting minors under section 112 of the *Estate Administration Act*. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT will investigate the circumstances surrounding the trust on behalf of the minor.

Child and Youth Services

Total Staff: 44 positions

Total Clients: 21,406*

- Guardianship – 6,578
- Trust – 12,227
- Legal Monitoring – 3,832
- Litigation Guardian (non Guardian of Estate) – 71

Total value of assets under administration (at March 31, 2010): $178.3 million

- Investments and securities – $172.6 million
- Real property – $5.1 million
- Other – $0.6 million

*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the division total is typically less than the sum of the business lines as clients may require service in more than one business line.

2. Services to Adults

The PGT protects the legal rights, and personal and financial interests of adults who are unable to manage their affairs independently and who require substitute decision making. The majority of adult clients rely on PGT financial and legal management or review of decisions made by others. The PGT also exercises personal care decision making for a small number of adults, and makes substitute health care decisions on behalf of others.

The Services to Adults division (STA) acts for adult clients when other appropriate substitute decision makers are not available. Most adult clients have diseases of aging that have impaired their mental capability, while others have mental illnesses, developmental disabilities, or brain injuries.

The PGT provides both direct and review services and strives to balance client independence and the right of self determination with the need for protection.

The direct services adult caseload has become more demanding as its nature has evolved. Adult clients are increasingly coming to the PGT for shorter periods later in life. Clients may have complex assets or debts that the PGT must manage, and increasingly, these assets are held outside British Columbia.

STA has five business lines.

a. Assessment and Investigation

The first contact the PGT has with most adult clients results from staff responding to reports from concerned friends, relatives or professionals to assess whether PGT services are required. This includes investigating reports of financial abuse of adults who may be incapable and consulting with community and family members on possible abuse, neglect and self neglect issues.

During 2009/10, these activities involved initial inquiries and investigations related to 1,777 referrals.

b. Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient. A substitute decision maker is generally needed if patients are mentally incapable of making their own treatment decisions.

In the absence of an existing substitute decision maker such as a Committee of Person or a Representative under a Representation Agreement, the *Act* allows the closest relative to make decisions. When these are not available, or where there is significant conflict among equally close relatives, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment decisions itself.

During 2009/10, the PGT made 656 decisions related to temporary substitute health care decision services. These included making major and minor health care decisions, authorizing temporary substitute decision makers, approving plans of care and providing brief consultations.

c. Client Services

During 2009/10, the PGT provided a range of financial and personal care management services for 4,352 adults in vulnerable situations. It acted under a number of different roles, including Committee of Estate, Committee of Person, Power of Attorney, Representative, Litigation Guardian and Pension Trustee.

When the PGT is appointed as Committee of Estate, staff work with the client to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills, administering investments and managing property. When appointed as Committee of Person, the PGT makes health and personal care decisions on behalf of these adults.

d. Estate Liaison

Estate Liaison coordinates completion of STA involvement in a client's affairs and releases property under PGT administration when services from STA are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority for an adult client because the individual has become capable of managing their own affairs, someone else has been appointed as Committee or because the client has died.

During 2009/10, Estate Liaison was involved with the affairs of 1,090 clients.

e. Private Committee Services

Committees are appointed by the court to manage the financial and/or legal or personal interests of an incapable adult. Private Committees are often family or friends of the adult. Where the Committee is not the PGT, the PGT conducts financial and other reviews of the actions of the Private Committee to assess whether the adult's interests are being protected.

Services to Adults

Total Staff: 93.5 positions

Total Clients: 8,643

- Assessment and Investigation – 1,777 referrals
- Client Services – 4,352 clients
- Health Care Decisions –656 decisions
- Estate Liaison – 1,090 clients
- Private Committee Services – 2,148 clients
- Adult Legal Monitoring – 884 clients

Total value of assets under administration (at March 31, 2010): $470.8 million

- Investments and securities – $354.2 million
- Real property – $102.1 million
- Other – $14.5 million

*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

3. Estate and Personal Trust Services

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS).

EPTS has six business lines.

a. Administration of Estates of Deceased Persons

As Official Administrator for British Columbia, the PGT administers the estates of persons who have died when no one is willing and able to administer their estates, or where the heirs or their whereabouts are unknown. During 2009/10, the PGT had 1,697 estates of deceased persons under administration. This is the largest business line in EPTS.

The PGT also administers estates of deceased persons where the heir is a client under authority in another PGT division, such as Services to Adults, or as a child or youth for whom the PGT is Guardian of Estate. In addition, the PGT acts as Executor when appointed under a will.

Where the estate is of minimal value and no next of kin can be found who are willing or able to undertake the arrangements, EPTS ensures that a referral is made to the Ministry of Housing and Social Development to provide for a respectful funeral at public expense.

b. Personal Trusts

The PGT was Trustee during 2009/10 for 319 personal trusts which had been created either by will, court order or inter vivos settlement. These 319 trusts are associated with 277 personal trust clients. The trusts may be created to ensure that the benefits going to a child or adult are protected, or alternatively, may be created to provide benefits going forward in perpetuity for a charitable organization.

Where options to appoint a family member or trust company are not appropriate, the PGT may agree to act as Trustee. The PGT can act as Trustee where the PGT is appointed by a will, court order or inter vivos settlement. Most of the trusts are discretionary as to the payment of both income and capital, so the funds are distributed at PGT discretion as Trustee in accordance with terms of the trust agreement.

c. Wills Bank Services

The PGT holds information from living persons who have named the PGT as executor in their wills. The PGT communicates with them periodically to confirm that their estate plans are unchanged.

This category of clients was not previously reported as it is a relatively minor service.

d. Litigation Representative

The PGT may agree to act as Litigation Representative for purposes of a specific legal action brought against an estate where there is no Executor, Administrator or other person to act. These cases are externally driven, both in terms of the number of cases and the length of time required to resolve the associated legal issues.

During 2009/10, the PGT was Litigation Representative in 32 such cases where the role is generally limited to accepting service on behalf of estates without assets. If the estate has assets, the PGT will apply for Letters of Administration to administer it and will deal with the litigation under that authority.

e. PGT Educational Assistance Fund

As Trustee of a trust established by the Province of BC in 1989, the PGT provides bursaries to qualifying young adults who were formerly under the continuing care of the Province.

Applicants are assessed on their grades, financial needs, career goals and other considerations. Funds available are dependent on rates of investment return. The trust had a capital value of $738,463 at December 31, 2009.

In 2009/10, there were 28 applicants ranging in age from 19 to 50 years. Bursaries ranging from $800 to $2,000, and totaling $20,300, were awarded to 18 individuals.

Applicants had a wide variety of career goals ranging from social work and kinesiology to web design and criminology. One candidate is completing a doctorate in political science.

f. Estates of Missing Persons

The PGT acts as Curator for persons who are missing, as defined in the Estates of Missing Persons Act. The role of Curator is to manage the adult's property until the person is located or until the funds are paid into court for safekeeping.

These cases are rare and during 2009/10, the PGT was Curator for only two estates.

Estate and Personal Trust Services

Total Staff: 27 positions

Total Clients: 2,207*

- Deceased estates – 1,697
- Personal trusts – 277
- Litigation Representative – 32
- PGT Educational Assistance Fund – 28
- Estates of Missing Persons – 2
- Wills Bank Services - 218

Total value of assets under administration (at March 31, 2010): $159.9 million

- Investments and securities – $133.5 million
- Real property – $22.6 million
- Other – $3.8 million

*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

4. Client Finance and Administrative Services

The PGT Client Finance and Administrative Services division (CFAS) provides both corporate and direct client services. Corporate services include budget planning, corporate accounting, information technology, human resources coordination, mailroom, facilities and office administration.

Client services include collecting client income, making client disbursements, providing investment expertise and advice used in preparing client investment plans, and investigating, securing and storing physical assets on behalf of clients.

CFAS has five business lines.

a. Information Technology Services

The PGT maintains its information technology services independently from the provincial government. During 2009/10, Information Technology Services (ITS) focused on restructuring and developing processes to enhance systems security and stability and to support business operations more effectively.

b. Client Financial Services

Client Financial Services (CFS) has ongoing responsibility for managing client assets. In 2009/10, CFS processed $176.7 million in client receipts, disbursed $151.3 million on behalf of clients, and invested $660.3 million of client funds. It also submitted more than 3,463 income tax filings on behalf of child and adult clients.

Effective for fiscal years commencing on or after January 1, 2011, the Canadian Accounting Standards Board has confirmed its plan to amend the general framework for financial reporting for publicly accountable enterprises. Accordingly, the PGT is currently evaluating alternative financial reporting frameworks.

c. Investment Management Services

Investing client assets is a significant PGT activity. By statute, the PGT is required to act as a prudent investor and it applies diligent processes when reviewing and assessing clients to determine their investment goals and objectives.

Investment Management Services staff work with PGT Guardian and Trust Officers, Case Managers and Personal Trust Administrators to develop personalized investment plans to meet the

PGT Investment Services

The PGT has three pooled investment funds for clients – the Premium Money Market Fund, the Balanced Income Fund, and the Balanced Growth Fund.

The **Premium Money Market Fund** is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size $472.1 million at March 31, 2010)

The **Balanced Income Fund** is aimed at generating current income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size $23.4 million at March 31, 2010)

The **Balanced Growth Fund** is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons such as young children. (Fund size $62.7 million at March 31, 2010)

Client cash balances are invested professionally in the pooled funds and other investment alternatives, including brokerage services and discretionary managed accounts, are available. Although the PGT most often meets client investment needs through its three pooled funds, the choice of alternatives is determined by client goals and objectives set out in investment plans which are monitored on a regular basis according to the portfolio risk.

This table provides comparisons of rates of return for PGT pooled funds and standard alternatives as at March 31, 2010.

PGT Pooled Funds*	Comparisons**
Premium Money Market Fund	
• 1.88% (1 year)	• 91-day Government of Canada Treasury Bill: 0.35% • 3-year GIC: 2.65% • Chequing account interest: 0.05%
Balanced Income Fund	
• 4.74% (5 years annualized)	• Standard industry portfolio benchmarks: 4.36% (5 years annualized)
Balanced Growth Fund	
• 4.28% (5 years annualized)	• Standard industry portfolio benchmarks: 3.94% (5 years annualized)

* Five year return numbers for balanced funds match risk portfolios of fund participants.
**Sources: Premium Money Market Fund – interest rate paid on PGT client account cash balances; GOC Treasury Bill – RBC Dexia; GIC – CIBC Wood Gundy; chequing account – CIBC Wood Gundy; Balanced Income Fund and Balanced Growth Fund – RBC Dexia Benchmark Investment Analytics

identified client goals and objectives. For more information see page 39-40.

The PGT Investment Advisory Committee is consulted on the investment policy for each pooled investment fund and provides advice on monitoring and measuring PGT investment performance, internal investment administration processes and processes for engaging external investment managers and other investment service providers.

d. Corporate Financial Services

Corporate Financial Services provides budget planning, development, and monitoring; and corporate payment processing for the PGT. This includes preparing and supporting Treasury Board submissions, assisting with proposals for new legislation and leading the organization in implementing corporate wide financial initiatives.

e. Investigations, Warehouse and Administrative Services

Investigations, Warehouse and Administrative Services (IWAS) provides corporate facilities, investigative, mail, records and administrative services. In 2009/10, IWAS responded to 1,020 requests for investigation and securing of client assets, and logged more than 38,800 incoming cheques, an increase of 7.6% in the number of cheques received over the previous year.

5. Legal Services

PGT Legal Services are delivered by a complement of 14 staff lawyers distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Director of Legal Services.

Within their assigned area of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, staff lawyers may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel on acting on behalf of clients in a variety of civil matters.

The staff lawyers also carry out certain statutory obligations of the PGT, such as reviewing applications for appointments of Private Committees, reviewing settlements of claims for unliquidated damages on behalf of minors, reviewing proposed transactions affecting the property interests of minors, and reviewing legal notices where the interests of minors or incapable adults may be affected. In some circumstances, staff lawyers provide written comments to the Court regarding issues concerning the interests of minors or incapable adults in civil proceedings.

In 2009/10, PGT staff lawyers provided legal advice and services to clients that involved acting on approximately 4,000 different legal issues.

The Administrative Counsel carries out a variety of duties to support PGT statutory obligations, including overseeing PGT involvement in advancing client interests in class proceedings. The Administrative Counsel also oversees provision of legal services to PGT clients by outside counsel.

The Information and Privacy Lawyer coordinates compliance with access and privacy legislation. The majority of PGT requests are complex and are made by family members of PGT clients. In 2009/10, the PGT responded to 30 requests and two court orders for production of records and participated in two reviews conducted by the Information and Privacy Commissioner.

The Deputy Public Guardian and Trustee, together with staff lawyers, contribute regularly as speakers and writers to Continuing Legal Education activities with respect to the law which impacts PGT clients and participate in law reform initiatives undertaken by government where the reform is relevant to the PGT mandate.

6. Policy, Planning and Public Education

The Policy, Planning and Public Education division provides a range of organization wide services in support of PGT operations. These include statutory organizational performance planning and reporting, internal and external communications, strategic planning, policy, research and evaluation. In 2009/10, the division focused on enhancing PGT management information and responding to media attention.

7. Vulnerable Adult Community Response

The PGT operational response to abuse, neglect and self neglect of adults who are or may be legally incapable rests with the Services to Adults division.

The *Adult Guardianship Act* also provides for the PGT to designate external agencies, who then have a duty to receive and respond to allegations of adult abuse, neglect and self neglect. The current Designated Agencies are the Health Authorities, Community Living BC (CLBC) and Providence Heath Care Society.

The *Act* further provides for the PGT to organize community networks to provide support and assistance to abused and/or neglected adults. This is accomplished though coordinating a range of standing committees and special events involving service partners and other stakeholders.

Major standing committees include the Designated Agency Clinicians Teleconference Network which includes Health Authorities and CLBC; the BC Adult Abuse/Neglect Prevention Collaborative, a province wide community/government working group; and the Adult Guardianship Provincial Advisory Committee comprising representatives of the PGT, the Health Authorities and CLBC.

In 2009/10, the PGT focused on facilitating awareness of and response to suspected financial abuse of seniors. It also worked with other members of the BC Adult Abuse/Neglect Prevention Collaborative to produce and release a provincial strategy to address vulnerability and capability issues in British Columbia.

8. PGT Cross Divisional Activities

The PGT also undertook a number of significant cross divisional activities in 2009/10. The primary such activity was directed toward a multiyear enhancement of internal controls.

PGT Summary Activities

Total Staff: 234 positions

Total Clients: 31,959*

Total value of assets under administration (at March 31, 2010): $809 million

- Investments and securities – $660.3 million
- Real property – $129.7 million

Other – $19 million

Business indicators:

- Client funds invested – $660.3 million
- Client bills paid – $151.3 million
- Client receipts processed – $176.7 million

Other indicators:

- Clients with trust accounts – 16,159
- Real properties sold – 146
- Income tax filings – 4,574

*Client counts reflect the number of individual clients served by both individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the division totals as clients may require service in more than one division.

D. Context for 2009/2010 Performance Results

1. Introduction

This document reports on PGT performance in year one of the 2009-2012 Service Delivery Plan (SDP) which was approved by the Attorney General. While the 2009-2012 SDP was not formally approved by Treasury Board, the 2009/10 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2009/10 as presented in the SDP and are reported upon herein.

2. Development of PGT Goals, Objectives and Performance Measures

The PGT is a client centred organization that seeks to improve the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial and personal interests. PGT goals reflect specific areas in which the PGT can act to improve the quality of clients' lives.

The 2009-2012 SDP sets out the following five goals:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.
5. The PGT will deliver high quality client centred services to clients.

a. Goals

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These outcomes are the well being of PGT clients, prudent management of client affairs, operational efficiency and staff effectiveness. Each of these five goals is related to one or more of these outcomes. Goals one, two, and three deal directly with work that the PGT undertakes on behalf of clients. Goals four and five concern both clients and organizational effectiveness.

As a fiduciary, a significant proportion of PGT activity involves property and financial management. The 2009/2010 PGT Performance Measurement Framework linking the goals, objectives and measures (pages 34-35) demonstrates that goal one has the greatest number of associated objectives and touches almost every area of the organization and its activities.

b. Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meanings of the goals as they relate to specific aspects of PGT work, identify key areas of performance and point to certain desired results in achieving the goals.

The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to achieving stated goals while still capable of being measured and validated to an audit standard. Selecting objectives and performance measures is particularly challenging because in most instances the PGT contribution to client outcomes is contributory rather than causative.

c. Performance Measures

The PGT selects objectives, performance measures and targets in accordance with underlying assumptions from its corporate values. PGT clients are often particularly vulnerable and the PGT contributes to their well being through activities that are significant to clients, their family, friends, caregivers or heirs. Factors such as accessibility, timeliness, accuracy and empowerment are important to client well being. Other factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as legal requirements (e.g., fiduciary obligations); are benchmarked against private sector standards (e.g., investment returns), are driven by safety issues (e.g., investigations in high risk situations), or may reflect a balance between demand for services and resources in an environment of significant self funding.

Due to the planning and reporting cycle, targets for year end of the first year of the plan reflect a PGT assessment of appropriate, attainable, service levels based on its best judgement at the time they were established 18 months previous in the service planning cycle. Targets are also set with a view to determining the acceptable level of performance in a given period given resources and constraints. In addition, the PGT must be able to substantiate its reported performance results to an audit standard.

Results are continually assessed to determine if measures should be continued, targets should be increased, or resources could be reassigned to other service areas. The PGT seeks to meet its performance targets, and monitors performance during the year. When targets are at risk, resources are allocated in year to the program area if available.

The performance measures are set out in the 2009/2010 PGT Performance Measurement Framework on pages 34-35.

3. Role of the PGT Mission, Vision and Values

The PGT mission, vision and values are reflected in all aspects of its service delivery. They are expressed in the philosophic approach that PGT staff bring to their work such as ensuring that adult clients participate in decision making about their lives to the greatest extent possible. They are supported in formal policies and structure.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them or who are mandated by law as with children and estates of deceased persons. In other instances, PGT clients have made a decision to seek service from the PGT.

Many adult clients are disadvantaged by mental illness, infirmity or separation from family or friends and almost all adult clients have experienced a loss of personal and/or financial autonomy.

PGT activities have a cumulative and contributory impact on improving the quality of clients' lives according to the specific client group and nature of the activity. Children and youth benefit when the PGT acts to maximize their funds held in trust while still allowing appropriate disbursements. Minor guardian clients benefit when the PGT initiates legal actions on their behalf when they have suffered harm. Heirs and beneficiaries of estates of deceased persons that are administered by the PGT benefit when they receive funds and related assets after they have been located and properly identified.

Adult clients benefit when the PGT makes sustainable arrangements that respect client wishes to the extent possible while managing their financial affairs and acting to maximize resources available for their needs. Adult clients benefit from substitute health care decisions by receiving the treatment they would likely have chosen. Adult clients also benefit from the PGT approach of providing maximum empowerment of clients. This is consistent with the values and approach identified in Goal Three of the BC Great Goals for a Golden Decade (i.e., *Build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors*).

In addition to its direct impact on clients, the PGT contributes to efficiency of the social services, health, legal and justice systems by timely substitute decision making, facilitating care, providing experienced objective legal reviews and taking protective measures on behalf of clients.

4. Societal Trends and Other Factors Affecting the PGT in 2009/10

A number of significant societal trends, risk factors and internal issues affect the work of the PGT. These include the following:

a. Demographic Trends

Population demographics continue to be the single most important societal trend affecting the PGT. The PGT is impacted by both the aging population and the increasing diversity of the BC population. Aging baby boomers and increased life expectancy are leading to a significant increase in both the proportion and the number of seniors. Increasing immigration and associated family reunification adds significant complexity to providing services to clientele with diverse cultures and languages.

A large proportion of PGT adult clients are affected by diseases of aging. Seniors, particularly those over 85 who are most susceptible to dementia and Alzheimer's, are the fastest growing segment of the BC population. BC Stats has projected that the BC population aged 85 and over will increase by 78% in the years between 2006 and 2026 and the largest increase (168%) will occur in the Northern Health Authority Region.

A major national study on the impact of dementia predicted in 2009 that by 2039, approximately 177,684 British Columbians will be living with dementia. This is an increase from 1.6% to 3.2% of the total population. Demand for PGT services will grow from the larger proportion of the population requiring care and support for health care and financial decision making. Demand will also grow for estate and personal trust services.

The impact of increased demand for services to senior clients is magnified by pressures arising

from changes in most other trends affecting the PGT. Examples include restructuring of the social services and health sectors, operating within a legislative framework of adult guardianship law which has been only partially updated, the need for informed consent, increased accountability requirements, and growing awareness of abuse, neglect and self neglect of vulnerable persons.

Immigration factors and population mobility within Canada mean that families are often widely dispersed and local family supports, particularly for seniors and other vulnerable persons, may not be available. This increased mobility adds to the challenge of locating heirs, beneficiaries and family members of PGT clients.

b. Growing Importance of Partnerships

Restructuring of provincial government service delivery models and the health and social services sectors continues to have significant implications for the PGT as the changes have resulted in increasing numbers of service partners with statutory authority with whom the PGT must establish and maintain working relationships.

Delegated Aboriginal Child and Family Service Agencies with statutory child protection responsibilities are important new service partners for the PGT. As these agencies assume authority for child guardianship, they become coguardian with the PGT for children in continuing care. While the PGT welcomes this transition as important to the well being of Aboriginal children, the resultant need to develop and foster independent relationships with each of these agencies has significant unfunded resource implications for the PGT.

Fostering positive well informed relationships with service partners is both increasingly important and more complex and time consuming to develop and maintain as the service provider community continues to evolve and expand.

c. Revenue Issues and Fiscal Model

The PGT service model that is evolving in response to changes in PGT responsibilities and the nature of its client base has significant implications for its revenue and fiscal model. These pressures also impact service partners with joint PGT clients such as the Ministry of Housing and Social Development.

PGT client services fall into estate and trust services or public services. *Estate and trust services* are those in which the primary activity is fiduciary in nature with a focus on protection of client assets. This focus is reflected in the high level of cost recovery for estate and trust services. *Public services* are those in which the primary focus is reviewing the work of others and the limited or nil cost recovery reflects the public nature of providing these public services.

The PGT self funds a large percentage (currently 62.5%) of its actual expenditures through fees and commissions charged on client income and assets. The PGT has limited capacity to adjust service levels to meet increased demand for services due to expenditure control. Demand is related to demographics, the availability of

alternatives to PGT services, new legislation and court decisions, and the changing external service environment resulting from restructuring and budget constraints of other organizations. While the PGT is funded through a special operating account, funds in the account cannot be used without impacting approved expenditure levels which effectively limits access to the special account balance.

Increasingly, structural factors will impact the PGT. The profile of PGT adult clients has been evolving in that they are becoming PGT clients for shorter periods later in life, and thus less revenue is earned from subsequent asset management to offset costs of the intensive activity to provide service to a new client. PGT revenue is also directly impacted by rates of return on investment and the real estate market which are both susceptible to economic downturns.

Momentum continues to grow in the long term transition from the PGT acting primarily as fiduciary to a role that includes significant responsibility for investigations and review of the work of third parties. Workload associated with investigative and regulatory activities does not generate significant cost recovery. In addition to client specific budget considerations, PGT obligations and expectations associated with monitoring and oversight continue to increase. Changes in litigation patterns, such as the growth in class actions, put significant pressure on costs of services. Demand for public education is increasing as the population ages. Improving the PGT's internal control environment and systems has increased base costs for financial management services.

d. Enhanced Attention to Child Protection

Public interest remains high in services to children in provincial care. As Guardian of Estate, the PGT is coguardian with MCFD and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. In this capacity, the PGT receives critical incident reports describing incidents involving children in care. It must assess each report and investigate and take legal action where appropriate to protect the legal and financial interests of such children. The PGT also pursues financial entitlements on their behalf such as RESPs, RDSPs, and CPP Orphan's Benefits. The PGT issues a separate report annually describing the services it provided as Guardian of Estate in the preceding year.

The PGT also acts in a number of other statutory roles to protect the interests of children and youth. Examples include reviewing settlements of claims for damages brought by minors and acting as Trustee in administering funds held in trust for children until they reach the age of majority.

The PGT participates in several cross organizational groups designed to improve services to their shared clients.

The PGT is also a member of the Children's Forum, a working group of senior officials involved with children receiving services from the provincial government. Other members include MCFD, the Representative for Children and Youth, the Chief Coroner, the Ombudsperson, and the Provincial Health Officer.

A primary focus at this time is improving relations with service partners and focusing on enhancing financial literacy for PGT child and youth clients.

e. Services to Aboriginal British Columbians

The PGT has long recognized the particular needs of Aboriginal British Columbians and has sought to improve its services accordingly. As Aboriginal organizations are increasingly becoming service partners with the PGT, the need to facilitate improved service both to Aboriginal clients, First Nations, and related organizations is becoming more pronounced.

One of the most rapidly changing service areas involves responding to MCFD devolution of child protection services which has resulted in the PGT becoming coguardian with statutory Delegated Aboriginal Child and Family Service Agencies, in addition to MCFD, for children in continuing care. This has significant resource implications for the PGT, including the need to develop and maintain organizational relationships, educate regarding respective roles and responsibilities, and develop and implement information sharing agreements and reporting with growing numbers of coguardian organizations.

The PGT also continues to work jointly with First Nations reserve communities and Health Authorities and police services in coordinating resources to respond to abuse of vulnerable adults, including assisting in development of related interagency protocols.

The impact of finalizing and implementing treaties also impacts the PGT. Withdrawal of the federal government from providing services on reserve following implementation of a treaty, can, depending on the treaty, involve new responsibilities for the PGT. The PGT is developing a strategy to assist treaty development participants in understanding the nature of these services.

While the PGT is eager to improve service delivery to Aboriginal and First Nations clients, its ability to accomplish this in a timely manner is constrained because the PGT is largely self funding through fees and commissions paid by clients and receives no public funding to facilitate this. As further treaties are signed in

which services formerly delivered by the federal government are to be delivered by the PGT, the resourcing gap will likely be exacerbated unless offsetting funding is provided to the PGT. Improving service is further constrained by the lack of a PGT regional office in the northern region of the province where many Aboriginal and First Nations clients live.

f. Growing Recognition of Abuse, Neglect and Self Neglect of Adults

There is increasing general awareness of the incidence and impact of abuse, neglect, and self neglect of adults in vulnerable situations. Under Part 3 of the *Adult Guardianship Act* the PGT is responsible for facilitating community agencies and public bodies to respond to abuse, neglect and self neglect of vulnerable persons.

The PGT appoints Designated Agencies by regulation to respond directly to reports of abuse, neglect and self neglect while the PGT primarily responds directly to possible financial abuse. The PGT has facilitated development of Community Response Networks throughout the province and has provided some support to their provincial coordinating body, the BC Association of Community Response Networks.

The PGT works with communities, First Nations, Aboriginal organizations, police agencies, and the health, social services, justice and financial sectors to raise awareness of elder abuse and abuse of other vulnerable adults. The PGT also liaises at a national level with financial institutions to increase awareness of the financial dimensions of abuse of vulnerable adults and facilitate responses.

The PGT continues to bring together First Nations communities and Aboriginal organizations with Designated Agencies and others involved with adult guardianship work to clarify responses and roles when abuse, neglect, or self neglect is reported or suspected on reserve.

g. Legislative Framework

The legislative context for many PGT responsibilities will be changing significantly over the next two to three years as new provincial legislation is proclaimed by government and implemented. The most extensive impact will come from the *Wills, Estates and Succession Act* that was passed September 24th, 2009, but not yet proclaimed in force. This act and associated revised court rules will modernize the laws of succession and revise the manner in which estates of deceased persons are administered in British Columbia.

The PGT is impacted by the disjointed legal framework in which it delivers services to vulnerable adults. Proclamation of the *Adult Guardianship and Planning Statutes Amendment Act*, 2007 has been deferred because of economic conditions. The current framework governing protection of incapable adults is a mixture of old and new legislation with contradictory policy objectives that result in significant gaps in coverage. This situation has developed over time as newer statutes have been implemented with provisions that have been more consistent with modern approaches to substitute decision making while older statutes passed many years ago and embodying different philosophies have remained in effect.

This situation results in considerable confusion among both the public and professionals, including doctors and lawyers. It also negatively impacts clients as the PGT may be unable to respond to their needs with as much flexibility as desired. Lack of some types of statutory provisions, for example those governing admissions to health care facilities, result in an environment in which care givers and families may be at risk for taking necessary protective actions without express legal authority.

During the year, the Legislature passed a law that will allow the 2007 reforms to be brought into force in phases. This will allow the less costly incapacity planning reforms to come into force soon while the court and the statutory guardianship reforms await a more favourable fiscal climate.

h. An Evolving Legal Services Environment

Providing legal services related to clients is a major PGT activity and responsibility as a fiduciary. This work continues to be impacted by ongoing changes in the Canadian legal services environment with the impact felt in terms of both PGT participation in various legal proceedings, particularly abuse related litigation, and in an enhanced corporate concern with risk management. Both of these activities require a significant commitment of resources by the PGT to ensure that it meets its fiduciary obligation to protect the legal interests of clients.

The growth in class proceedings has increased demand for the PGT to determine which of its clients might be class members in a range of actions. The PGT faces a significant challenge

in trying to determine which adult clients have a potential interest because many clients have no family and few records of their lives prior to PGT involvement and mental incapacity may also limit their ability to assist in this process. While externally incurred costs arising from researching and securing records required to assess possible eligibility are borne by the clients, these demands also impact overall PGT organizational capacity and resources.

The PGT has experienced an increase in lawsuits relating to forms of injuries suffered in institutionalized settings. As a result, the PGT has been involved in various legal actions on behalf of clients who were resident in those institutions at the time the injury was alleged to have occurred. This includes the Woodlands School class action and the Indian Residential Schools settlement.

The role to be played by the PGT in protecting the right to compensation for sexual or physical abuse of children for whom the PGT is Guardian of Estate continues to be a pressing issue. As a result of improved reporting by MCFD, the PGT is reviewing and responding to a significantly increased number of reports of incidents involving children in continuing care, many of which give rise to potential claims for damages to be advanced on behalf of these children.

Increased due process and risk management requirements add pressure to PGT corporate legal services. The PGT is also experiencing growing legal demands in accountability related activity such as responding to proceedings involving the Information and Privacy Commissioner. While costs incurred with these new legal pressures are incurred in acting as a fiduciary for individual clients, they are primarily funded as an aspect of organizational capacity.

5. Risk Management

A risk is a potential action or event that could have a negative impact on the ability of the PGT to achieve its goals. The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains an extensive internal control environment to respond to the associated legal, financial and other risks.

During 2009/10, the PGT developed an enhanced enterprise risk management framework and process and implemented an enterprise risk assessment. This involved using a careful approach to identifying and assessing risks in the context of associated PGT controls and other risk mitigation strategies. The process included considering the level of tolerance for the identified risks.

The PGT enterprise risk management framework and approach assesses the potential impact of risks and existing and potential additional mitigation strategies in several categories that are related to PGT goals and objectives. These impact categories are described in the following table.

Area of Activity	Impact on the PGT
Financial Stewardship	Stewardship of client and public assets
Client Stewardship	Stewardship of the health and well being of its clients
Financial Resources	Financial resources
Human Resources	Achievement of a high performance, safe work environment that results in satisfactory employee involvement, development, and engagement
Operational Efficiency and Effectiveness	Ability to achieve operating efficiencies while maximizing client and stakeholder satisfaction
Reporting	Ability to provide reliable internal and external reporting (financial, performance, and other reporting).
Regulatory / Legal	Ability to comply with relevant applicable laws and regulations
Strategic / Political / Reputation / Independence	Independence, reputation, stakeholder engagement, and/or ability to act on current and/or future strategic directions

This enterprise risk management framework and approach will be maintained, adapted and further integrated into PGT management activities on an ongoing basis as determined to be appropriate.

Summary of Key Residual Risks

The following table summarizes the most significant residual risks faced by the PGT identified through the risk identification and assessment process described above. This summary is based on PGT assessment of both the identified inherent risks and the effectiveness of the related controls and risk management activities. The table also outlines some of the major mitigation strategies employed in relation to these risks. This table is a summary only of the residual risks assessed as being most significant. It does not detail all of the identified risks facing the PGT nor does it detail all of the controls and mitigation strategies that relate to each identified risk.

Risks	Potential causes	Examples of Key Mitigation Strategies
Information technology The PGT may not be able to meet its business needs due to inadequate and aging information technology infrastructure and systems.	• Data integrity could be compromised. • The COMET financial system is a legacy system that is inadequate for modern trust accounting. • The CASE management system still has untapped potential and does not cover all program areas. • Staff may be inadequately trained on information technology applications.	• Funding is being sought to upgrade and/or replace the PGT aging information technology infrastructure and information systems including replacement of the COMET financial system. • Continued enhancement of the CASE management system is being planned. • Enhanced security and general controls for PGT information technology are being implemented and their ongoing effectiveness is being tested.
Priority setting and capacity planning The PGT may have inadequate organizational capacity to plan and/or implement priorities to which it has committed.	• Workloads may be so high that staff are unable to adequately perform duties. • Regional offices are smaller and thus may be more acutely negatively impacted by increased service volumes. • Implementation of new priorities may be hampered by inadequate information technology. • Timing of new priorities may add to complexity and workload pressures.	• Information technology solutions are being sought to support staff and facilitate transactions. • Divisional business planning is being enhanced to clarify key strategic objectives and prioritize tactical activities. • Cascading work plans are being implemented through employee performance and development plans to maximize synergy.
Staffing The PGT may not have adequate numbers of staff and/or staff with adequate skills and/or experience.	• Recruiting limitations (see "Attraction and recruitment of skilled employees" risk below). • The number of employees in acting positions may hamper effective management and development. • High workload may limit staff ability to develop skills and receive training.	• The PGT has developed a Human Capital Strategic Plan to improve human resource management. • A Health and Wellness Committee is reviewing strategies to address absenteeism and support employee morale. • Core training programs may be developed and delivered to staff in key roles in the PGT. • Rewards and recognition strategies may be renewed to enhance staff engagement.

Risks	Potential causes	Examples of Key Mitigation Strategies
Externally imposed legislative and policy change The PGT may be significantly impacted by changes in these areas.	• New legislation and/or major changes to existing legislation may have a significant impact on PGT workload and resources. • Continued expenditure constraints in health, social and legal systems may increase demands on the PGT. • Many new service partners with statutory authority increases partnership complexity for PGT. • Devolution of duties of Indian and Northern Affairs Canada without related resource transfers may add to PGT pressures.	• Resources would be sought for new responsibilities. • PGT activities would be reviewed to identify potential for reprioritizing resources to create capacity for new responsibilities. • Communication with service partners could be expanded as part of a growth management strategy.
Records management The PGT may not have access to client records required to conduct its work and otherwise meet its obligations.	• Client data may be stored in many different formats. • Records may be inappropriately or prematurely destroyed because of ineffective document retention procedures.	• The PGT is planning to secure a document management system in future as part of its information technology upgrading. • Disaster recovery procedures are regularly reviewed and enhanced as required.
Internal reporting The PGT may have inadequate management information to satisfy internal needs.	• The PGT may have incomplete, inaccurate and/or untimely internal reporting of required financial, performance and other information. • Managers may have inadequate reporting available to them to ensure that timelines are being met.	• The PGT clearly and consistently identifies key performance targets in its service delivery plan. • The PGT is seeking to replace its outdated COMET financial system. • Additional exception reports are being developed. • Further enhancements to the CASE system are being considered.

Risks	Potential causes	Examples of Key Mitigation Strategies
Funding The PGT may lack sufficient funding to perform its legislated duties.	• New legislation and/or policy changes may significantly increase PGT responsibilities without corresponding funding. • Market fluctuations may negatively impact commission based income. • Demand for services that are not subject to fees may increase significantly without a corresponding increase in authorized expenditure levels.	• The PGT is reviewing its financial model to develop proposals for a more sustainable and equitable model. • The PGT comments on proposed legislation including resource impacts. • The PGT will make budget submissions and may reprioritize existing activities as required.
Attraction and recruitment of skilled employees The PGT may be unable to attract and recruit adequately trained and experienced staff.	• Budget limitations and provincial government hiring practices may impact PGT ability to attract and recruit adequately trained employees in a timely manner. • Relatively small size of the PGT may limit opportunities for career development and thus impact perception of the PGT as a desirable employer.	• The PGT will develop internal staff, where possible, and provide learning opportunities for them as resources permit. • The PGT will continue to emphasize its organizational mission and key values when attracting staff.
Demographic risk The PGT may have inadequate resources to respond to needs associated with changing demographics.	• Growth of the seniors' population may result in dramatically increased numbers of persons with dementia with a corresponding demand for PGT services. • Increased cultural diversity will require public education to explain the PGT role and BC legal framework and staff training in cultural competency.	• The PGT will make budget submissions for resources required to meet unfunded new demands. • Many PGT information materials have been translated into key languages.
Liability The PGT could face liability because of failure to identify and protect the financial or legal interests of a client in a timely and proper manner.	• Proclamation of new legislation could occur without associated resources to implement. • High workload increases potential for errors and oversights. • Information systems may offer inadequate support. • Policies and procedures may not be adequately documented, communicated or monitored for compliance. • Staff may be inadequately trained.	• New exception reports are being developed to support management of client matters. • System enforced controls to limit entry and transaction errors are being added to information systems. • PGT policies and procedures are being updated and communicated. • Timeliness standards have been established for many services. • The PGT may provide enhanced training programs to further mitigate risk.

6. 2009/2010 Performance Results

In 2009/10 the PGT met or exceeded its target for 20 of 20 (100%) of its performance measures. Comments related to data and use of comparative information are discussed below. Specific performance details related to each measure are provided in the performance details section. The summary service delivery plan with goals, objectives, performance measures and targets appears on pages 34-35.

a. Source Data

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are COMET (financial) and CASE (case management). Financial statistics are derived from the audited financial statements and are rounded.

During 2009/10, the PGT maintained clear documentation of the process of collecting and reporting on data supporting its performance results. This has contributed to ensuring consistency and reliability in reported results.

The use of the PGT case management information system (CASE) has continued to increase and in 2009/10, it was used in processes for reporting on 10 of the 14 performance measures supported by information technology. The PGT has committed to developing reports to draw data directly from its primary information systems where possible. Development of these direct reports began in 2009/10 and is planned to be completed during the next two fiscal years.

Unless otherwise specified, client count reports reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the data counts will reflect the number of individual clients served throughout the fiscal year. In some instances, the data counts will reflect the number of specific legal authorities under which clients were served with consideration for the fact that one client may be served under multiple authorities.

Unless otherwise stated, results for specific performance measures are comparable with previous years. In reporting on performance results, the PGT usually rounds to the nearest whole number.

The PGT continues to review its performance on a quarterly basis both to manage performance and also to identify concerns with data collection and reliability. Where available, the PGT uses spot checking, cross referencing data sources and checking new reports against prior versions for consistency and to test reliability of results.

In accordance with the *Public Guardian and Trustee Act*, the PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT Operating Account and Estates and Trusts Administered are also subject to annual independent audit to provide third party assurance.

b. Comparative Information

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, mix of services and unique legal status, PGT access to generally accepted service standards is limited. Public Guardian and Public Trustee agencies in other provinces and territories each have some responsibilities and services or elements of them in common with the PGT but none have the exact same authorities.

For 2009/10, the PGT is able to make comparisons from its own past performance using information reported in its previous Annual Reports. While some measures have been changed, eliminated or been newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.

The PGT is mindful of its statutory obligation to report on all program areas. This 2009/10 performance report includes 20 performance measures down from 22 in 2008/09. The target was increased for one measure and the target for a second measure changed to reflect a new phase of the activity. Changes in the targets are described in the following reports on specific measures.

c. Miscellaneous Inactive Performance Measures

The PGT 2009/2012 Service Delivery Plan (SDP) included five performance measures related to implementation of new adult guardianship legislation. Proclamation of the legislation had been anticipated for the period covered by year one of this SDP, but has been deferred by the provincial government.

As a result, SDP performance measures 1.3, 2.4, 3.4, 3.7 and 3.8 have been removed from consideration as they are no longer applicable to the PGT pending proclamation of the new adult guardianship legislation. Identification numbers for the remaining performance measures have been adjusted accordingly to provide for an orderly flow.

An additional performance measure (4.2) that was reported in the 2008/09 performance report as lapsing was inadvertently included in the 2009/2012 SDP. The measure called for release of a public report regarding the PGT role on behalf of children in provincial care. While the target was met, it is not reported separately as the intention has been for the measure to lapse.

Performance Measurement Framework 2009/2010

Goals	Objectives	Measures
1. Property and financial interests of PGT clients will be well managed.	a. Disbursements from children's trusts will be made in a timely manner.	1. Percentage of disbursements from children's trusts completed within 15 calendar days of request by the guardian or client
	b. Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.	2. Percentage of critical incident reports in respect of children in continuing care reviewed and action initiated by PGT within 60 calendar days of receipt 3. Percentage of personalized case plans, covering effects, legal issues and living arrangements that will be developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate 4. Percentage of adult client trust receipts processed within five business days 5. Percentage of adult client disbursements processed within 15 business days
	c. Assets of client estates will be identified, secured and administered in a timely manner.	6. Physical assets of new deceased estates secured within 15 calendar days of notification of death
	d. Estate distributions will be made to heirs and beneficiaries.	7. Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society
	e. Client investments will be handled prudently.	8. Investment returns for all three pooled funds match or exceed established benchmarks
		9. Percentage of investment plans subject to review (according to the assessed level of risk associated with the client investment portfolio) completed within the next year
2. Personal interests of PGT clients will be protected.	a. The personal needs of children and youth clients will be protected.	1. Personalized expenditure plans will be developed and implemented for children and youth with assets in excess of $50,000 where ongoing assistance with day to day maintenance has been approved within 20 calendar days of receiving all decision making information and then annually reviewed
	b. The personal interests and health care needs of adult clients will be addressed.	2. Percentage of Committee of Person adult clients who are annually visited by PGT staff 3. Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

Goals	Objectives	Measures
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.	a. Settlement reviews of legal claims of children and youth will be carried out in a timely manner.	1. Percentage of proposed minors' settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received 2. For minors' settlements under $5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received 3. Percentage of stakeholders reporting satisfaction with the PGT process for making recommendations on unliquidated damage claims
	b. The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.	4. Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken under s. 19 of the *Public Guardian and Trustee Act* within one business day 5. Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.	a. The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public.	1. PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums
5. The PGT will deliver high quality client centred services to clients.	a. The PGT will meet client expectations for quality, equitable and accessible services.	1. Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good
	b. Mission critical information technology systems and processes will support PGT business activities.	2. Business case prepared for replacement of trust accounting system

7. Performance Details

Goal 1: Property and financial interests of PGT clients will be well managed.

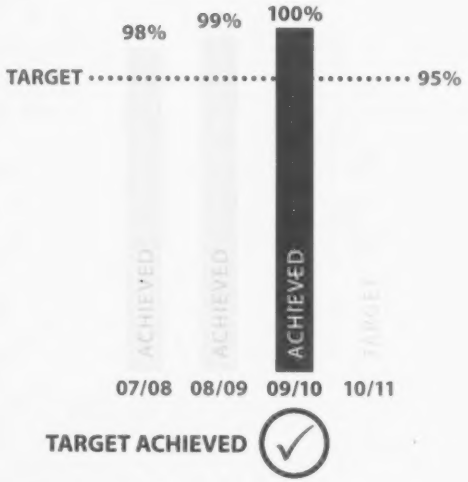
OBJECTIVE 1.a Disbursements from children's trusts will be made in a timely manner.

1.1 Percentage of disbursements from children's trusts completed within 15 calendar days of request by the guardian or client

Administering trusts where a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Unlike a bank account, funds held in trust are subject to a number of restrictions designed to protect the client. The Guardianship and Trust Officers consider client requests to spend some of the individual's trust funds and must determine whether the request falls in or outside the trust restrictions while still providing a timely response.

This activity benefits children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy fiduciary duties to be prudent and to maximize funds for their future.

It is reasonable in most cases to expect a request to be decided within 15 calendar days. In 2009/10, out of 3,369 decisions, 3,321 (98.6%) were completed and a cheque was issued within 15 calendar days of a request by the guardian or client.



OBJECTIVE 1.b Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

1.2 Percentage of critical incident reports in respect of children in continuing care reviewed and action initiated by PGT within 60 calendar days of receipt

The PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the Province. Designated officials of MCFD and the DAAs are Guardians of Person for children in continuing care and the PGT is Guardian of Estate. As Guardian of Estate, the PGT identifies outstanding financial entitlements or legal claims and brings forward appropriate legal action on behalf of the children. This includes claims for unliquidated damages such as personal injury arising from abuse, assault, or motor vehicle accidents, as well as for statutory benefits such as from the death of a parent. The PGT receives automated reporting from MCFD and the DAAs of incidents involving children in continuing care and must review these reports to determine whether to commence civil legal proceedings on behalf of the child.

This activity improves the well being of children and youth in continuing care of the Province by protecting their legal rights and financial interests. It also satisfies PGT legal obligations as fiduciary. In 2009/10, of 518 critical incident reports, 518 (100%) were reviewed and action was initiated by the PGT within 60 calendar days of receipt of the report.

OBJECTIVE 1.b Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

1.3 Percentage of personalized case plans, covering effects, legal issues and living arrangements that will be developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate

The PGT may become Committee of Estate (COE) under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new COE client demonstrates that the PGT has taken the steps necessary to identify and secure the client's property and financial interests and provides for their ongoing protection. The time taken to develop and implement the plan will vary according to complexity of the client's property and financial investments. For this measure, appointment as COE means the date on which the PGT is informed of the appointment.

This activity improves quality of life for incapable adults by making arrangements that respect client wishes to the extent possible and by developing plans to maximize resources available for their care. For most new COE clients, six months is a reasonable expectation in which to complete the plan as several months are normally required to collect all relevant information about the client.

During 2009/10, 536 new clients required these plans and the PGT developed personalized case plans for 452 (84%) of them within the six month time frame. The target for this measure is being increased to 75% for 2010/11.

OBJECTIVE 1.b Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

1.4 Percentage of adult client trust receipts processed within five business days

The efficient management of client financial affairs is a paramount PGT responsibility. This includes the timely processing of client income and receipts. By promptly depositing income and other funds into an adult client's trust fund, flexibility in managing a client's affairs increases as does the client's potential to earn investment income. This activity improves quality of life for incapable adults by maximizing resources available for their care.

This performance measure tracks trust receipts received by PGT adult clients. In 2009/10, of the 26,940 receipts of income or capital, 25,497 (95%) were processed within the five day timeline. The total number of receipts reflects a 7% decrease over the previous year, which reflects one time activity in 2008/09 largely related to the climate action dividend.

Goal 1: Property and financial interests of PGT clients will be well managed.

OBJECTIVE 1.b Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

1.5 Percentage of adult client disbursements processed within 15 business days

Ensuring that amounts owed by PGT clients are paid in a timely manner is an important aspect of managing an adult client's affairs. This activity improves quality of life for incapable adults by assuring timely bill payments on their behalf.

In 2009/10, 154,558 of 157,519 (98%) adult client disbursements were processed within 15 business days. The total number of disbursements represents an 8% increase over the previous year.

OBJECTIVE 1.c Assets of clients' estates will be identified, secured and administered in a timely manner.

1.6 Physical assets of new deceased estates secured within 15 calendar days of notification of death

Securing the physical assets of a deceased person's estate is a critical step in reducing risk of damage and preventing loss to the value of an estate. The result for creditors and beneficiaries of the estate improves according to the speed with which physical assets are secured. This activity secures assets and maximizes funds available to estates of deceased persons.

In 2009/10, the PGT was notified of 78 new deceased estates that required this service of which the physical assets for 64 (82%) were secured within 15 days.

Goal 1: Property and financial interests of PGT clients will be well managed.

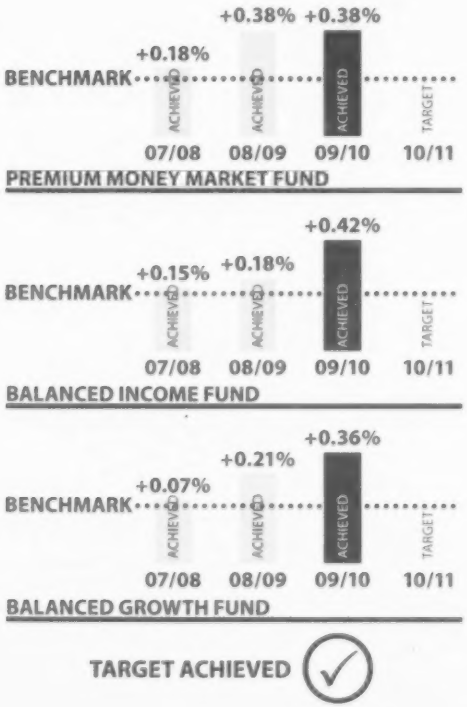
OBJECTIVE 1.d Estate distributions will be made to heirs and beneficiaries.

1.7 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society

As Official Administrator, the PGT administers estates of deceased persons when no one is willing or able to administer them or when the heirs or beneficiaries are unknown. If the PGT is unable to determine the lawful heirs of an estate after conducting a search, the balance of the estate after payment to creditors, administrator fees, and expenses is transferred to the BC Unclaimed Property Society.

This activity protects heirs and beneficiaries by ensuring that efforts are made to locate and distribute their entitlements to them.

In 2009/10, PGT Estate and Personal Trust Services distributed $25,255,146 of which $23,704,487 (94%) was transferred to the heirs and beneficiaries. This is an increase of $2.85 million in the amount distributed to heirs and beneficiaries over the previous year. The target of 85% was increased from 75% in the previous year.



OBJECTIVE 1.e Client investments will be handled prudently.

1.8 Investment returns for all three pooled funds match or exceed established benchmarks

PGT client funds are invested to maximize returns in a manner appropriate to individual client circumstances. This measure is a means of comparing performance by investment managers retained by the PGT against established industry benchmarks. The PGT has three pooled common funds: the Premium Money Market Fund; the Balanced Income Fund; and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund.

Investment returns are calculated using the investment industry standard of four year rolling averages with information on returns provided by third party professional measurement services. RBC Benchmark measures the Balanced Income and the Balanced Growth Funds and the BC Investment Management Corporation measures the Premium Money Market Fund.

This activity improves quality of life for clients by prudently managing their financial resources through quality investment management to ensure their resources are maximized to meet their needs. In 2009/10, investment returns for all three pooled funds exceeded the established benchmarks. Details are reported in the accompanying table.

Goal 1: Property and financial interests of PGT clients will be well managed.

OBJECTIVE 1.e Client investments will be handled prudently.

1.9 Percentage of investment plans subject to review (according to the assessed level of risk associated with the client investment portfolio) completed within the next year

Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Frequency of reviews is also related to the asset mix in the client investment plan.

This activity improves quality of life for clients by ensuring that financial planning remains up to date to maximize resources available for their needs. At March 31, 2009, 1,065 client investment plans were scheduled for review during 2009/10 and 197 clients left PGT authority during the year. Of the remaining 868 clients, 861 (99%) of the scheduled account reviews were completed. The number of plans subject to review increased by 10.6% over the previous year.

Goal 2: Personal interests of PGT clients will be protected.

OBJECTIVE 2.a The personal needs of children and youth clients will be protected.

2.1 Personalized expenditure plans will be developed and implemented for children and youth with assets in excess of $50,000 where ongoing assistance with day to day maintenance has been approved within 20 calendar days of receiving all decision making information and then annually reviewed

The PGT implements and maintains personalized case plans on behalf of child and youth clients who have assets of $50,000 or more where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child's needs.

This measure focuses on child and youth clients with significant liquid assets who receive enhanced trust services. This activity improves the quality of life for minors by providing timely decisions regarding sustainable management of their resources to meet current and future needs.

In 2009/10, personalized case plans were developed and implemented or reviewed within the target timelines for 94 of 95 (99%) minor clients who had been awarded $50,000 or more for ongoing maintenance. The annual reviews are conducted within 425 days of the previous review to allow minor flexibility in order to accommodate client needs.

Goal 2: Personal interests of PGT clients will be protected.

OBJECTIVE 2.b The personal interests and health care needs of adult clients will be addressed.

2.2 Percentage of Committee of Person adult clients who are annually visited by PGT staff

There are a small number of adult clients for whom the PGT acts as a court appointed Committee of Person and is responsible for their personal care interests. The PGT attempts to visit each of these clients at least once every year. For the PGT, the visit is an opportunity to review the client's personal situation and assess whether changes are required to ensure protection of their ongoing personal and health care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as the caregiver or the care facility administrator.

This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment. The measure was enhanced this year and going forward to include clients for whom the PGT had legal authority on April 1, whether or not a file had yet been opened. Prior years' results will not be restated.

In 2009/10, visits were made to 112 of 114 (98%) adult clients for whom the PGT acts as Committee of Person.

OBJECTIVE 2.b The personal interests and health care needs of adult clients will be addressed.

2.3 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

The PGT protects the personal interests of adults incapable of making health care consent decisions by making health care decisions on their behalf as Temporary Substitute Decision Maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*.

The timeliness of PGT substitute health care decisions on behalf of incapable adults as TSDM is important to the well being and rights protection of the individual for whom treatment has been imposed by a health care provider. A collateral benefit is that it may also contribute to the efficient functioning of the health care system. However, many other factors also influence the health of individual clients and efficiency of the health care system.

Timeliness of the decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2009/10 of 134 major health care decisions, 134 (100%) were made within three days.

Goal 3: Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

OBJECTIVE 3.a Settlement reviews of legal claims of children and youth will be carried out in a timely manner.

3.1 Percentage of proposed minors' settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received

Under the *Infants Act*, the PGT must review all proposals to settle a claim on behalf of a minor for unliquidated damages such as wrongful death of a parent, personal injury arising from motor vehicle accidents, medical malpractice and other claims. The PGT has jurisdiction independently to approve infant settlements of $50,000 or less (exclusive of interest and costs) outside the court process and provides written comments to the Court for amounts greater than $50,000 or where the PGT is acting as Litigation Guardian for the child.

This statutory service protects minors' property rights in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. The Supreme Court of BC recognizes 60 calendar days for completing the reviews as a reasonable length of time in which to provide an appropriate level of scrutiny. Within this time frame, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and their parent or guardian.

In 2009/10, in 334 of 341 cases (98%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.

OBJECTIVE 3.a Settlement reviews of legal claims of children and youth will be carried out in a timely manner.

3.2 For minors' settlements under $5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received

This measure is related to the previous measure (3.1) and focuses on proposed settlements of minors' claims under $5,000 for unliquidated damages. Under the *Infants Act*, the PGT must review all proposals to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction independently to approve infant settlements of $50,000 or less (exclusive of interest and costs). Parties may appeal the decision of the PGT to the BC Supreme Court, in which case, the PGT would provide comments to the Court as it does for settlements over $50,000.

These smaller settlements are reported separately because they are usually less complex than larger settlements and it is possible for the PGT to review these proposals more expeditiously. This increases efficiency of the review process and helps the parties to achieve closure.

In 2009/10, the PGT reviewed and concluded 232 proposed settlements under $5,000 in an average of 12 elapsed days per settlement.

OBJECTIVE 3.a Settlement reviews of legal claims of children and youth will be carried out in a timely manner.

3.3 Percentage of stakeholders reporting satisfaction with the PGT process for making recommendations on unliquidated damage claims

Under the *Infants Act*, the PGT must review all proposals to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction to independently approve infant settlements of $50,000 or less (exclusive of interest and costs) and provides written comments to the Court for amounts greater than $50,000. Various stakeholder groups are surveyed in rotation.

Review of proposed infant settlements protects children and minors by providing experienced objective reviews in a timely manner and contributes to increased efficiency of the court system. Surveying external stakeholders improves service delivery by highlighting areas requiring improvement.

In 2009/10, the PGT surveyed 23 ICBC adjusters who had submitted proposed settlements of infants' claims for unliquidated damages of any amount to the PGT for review under the *Infants Act* and who received final decisions during the third quarter of the year. Unliquidated damages include *Family Compensation Act* or personal injury claims. Of 15 who responded to the survey, 12 (80%) rated the service as satisfactory or very satisfactory.

OBJECTIVE 3.b The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

3.4 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken under section 19 of the *Public Guardian and Trustee Act* within one business day

The PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self neglect. One way it does this is to safeguard their assets so that persons seeking to take financial advantage of them will be unable to do so. Under section 19, the PGT orders financial interventions to freeze the assets of an individual while the PGT investigates the situation.

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults.

In 2009/10, the PGT took protective measures in 187 cases. In 186 (99%) of these, protective measures were exercised within one working day.

OBJECTIVE 3.b The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

3.5 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision

The PGT is responsible under the *Patients Property Act* for passing the accounts submitted by Private Committees appointed by the Supreme Court of British Columbia to be responsible for adults who are not capable of managing their own affairs. Passing the accounts of Private Committees provides information on the financial decisions they have made on behalf of their clients. This measure reports on the timeliness of PGT reviews.

Reviewing the accounts of Private Committees in a timely manner is important in ensuring financial affairs of the adult are managed by Private Committees in a fiduciary manner and in allowing Private Committees to take fees to which they are entitled. High risk accounts are reviewed within 60 days.

Accounts that are not ready for review, such as those that are incomplete or require special investigation are not included in this measure. At March 31, 2010, the average age of the remaining Private Committee accounts was 4.6 months.

Goal 4: The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.

OBJECTIVE 4.a The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public.

4.1 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums

There is continuing high demand from the public, service partners and stakeholders for the PGT to make presentations about the PGT and its areas of responsibility. Service partners also request presentations that will enable them to understand related roles and responsibilities. The PGT continually strives to meet the demand for public education activities which must be balanced against other service requirements.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. The report of the Premier's Council on Aging and Seniors Issues highlighted the importance of public education on issues affecting seniors. The *BC Child and Youth Review* recommended that the PGT participate with service partners in public education activities affecting children in care.

In 2009/10, the PGT made public presentations at 84 meetings, conferences or other events. While this greatly exceeded the target, it is still significantly less than the demand for such presentations. The increased number of presentations over recent years represents an emphasis on outreach to service partners associated with children in care.

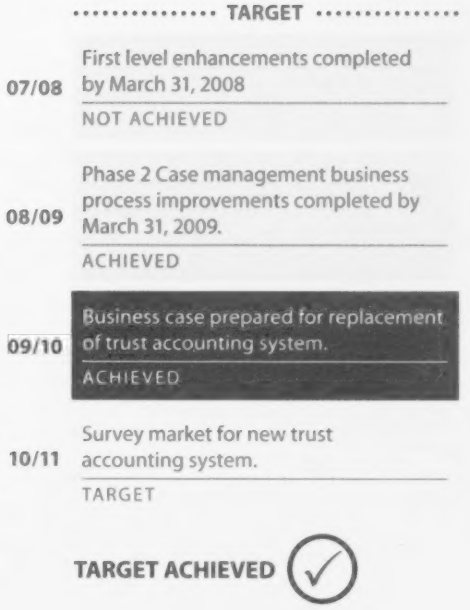
Goal 5: The PGT will deliver high quality client centred services to clients.

OBJECTIVE 5.a The PGT will meet client expectations for quality, equitable and accessible services.

5.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good

The PGT administers estates of deceased persons. The Estate and Personal Trust Services division conducts a client satisfaction survey with heirs and beneficiaries who receive funds when administration of an estate is completed. This activity measures client satisfaction and gives heirs and beneficiaries the opportunity to comment on what is important to them concerning the services the PGT provides. This activity also improves service delivery by highlighting areas needing improvement.

In 2009/10, there were 265 completed surveys. Of these, 255 (96%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.



OBJECTIVE 5.b Mission critical information technology systems and processes will support PGT business activities.

5.2 Develop client financial management information system in phases

The PGT has been taking steps to enhance data integrity by upgrading its outdated legacy technology applications. This performance measure relates to improvement of system data integrity, the data capturing process, reporting capacity, and better alignment of information systems and business processes.

A phased implementation of a case management system began in February 2007 and attention is now focused on replacement of COMET, the PGT trust accounting system. In 2009/10, the PGT completed a business case for replacement of the COMET system.

E. Linking Resources to Performance

1. Linking Resources, Strategies and Results

a. Background

The PGT is responsible by law for delivering a broad range of services to clients and is self funded for more than half of its expenditure budget. In developing its annual budget, the PGT provides for meeting its statutory and fiduciary obligations to its clients. The PGT establishes strategic goals and determines performance measures and targets within the budgeted resources and constraints of a given year in the context of its three year plan.

The PGT delivers client services through a combination of activities that are specific to an operational division, integrated, cross divisional, or are those delivered in conjunction with service partners:

i. *Operational divisions* focus on broad client groups such as children and youth, adults, and estates of deceased persons and personal trusts. Costs are assigned directly to the divisions.

ii. Activities of operational divisions are supported by *integrated services* such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across the organization using an allocation model developed to reflect approximate usage.

iii. In addition, some services such as quality assurance and risk management are delivered in a *cross divisional* manner. Costs of cross divisional services are assigned directly through operational divisional budgets and indirectly through costs assigned through the allocation model.

iv. Services delivered in conjunction with service partners such as client real property management are *charged directly* to clients.

See pages 51 and 52 for the Allocation of Revenues and Expenses by Program – Budgeted and Actual [unaudited] for the year ended March 31, 2010.

Delivery of services and allocation of costs are reflected in Table 1 [unaudited] on page 47, describing which PGT goals apply to which area of expenditure. The table provides a context to put PGT areas of expenditure into perspective. The distribution also reflects the integrated and cross divisional nature of PGT operations.

b. Linkages

Client services fall into one of two categories of expenditure, i.e., estate and trust services or public services. *Estate and trust services* are those where the greatest impact from the service is on the management of individual client assets and this is reflected in the total or high level of cost recovery. *Public services* are those where the greatest impact from the service is in monitoring or oversight and the limited or nil cost recovery reflects the public nature of these services.

Table 1 [unaudited] demonstrates that most PGT goals apply broadly to most areas of expenditure and may involve a number of programs and expenditures and also a number of divisions.

c. Challenges

The challenge of segmenting expenditures is greatest at the broad goal level. It is a lesser challenge in the case of specific performance measures within each goal as these are more likely to apply to a single area of expenditure. However, the PGT considers that elaboration of budget particulars at the individual measure level is not possible as the work is too interrelated and spread throughout PGT activities.

For example, integrating a new adult client requires more than preparation of a new case plan, i.e., assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed, overdue taxes may have to be made current, and such.

These complex linkages mean that although the areas of expenditure are linked with groups of strategic goals, the relationship between performance and outcomes and changes in costs may not be direct or immediate.

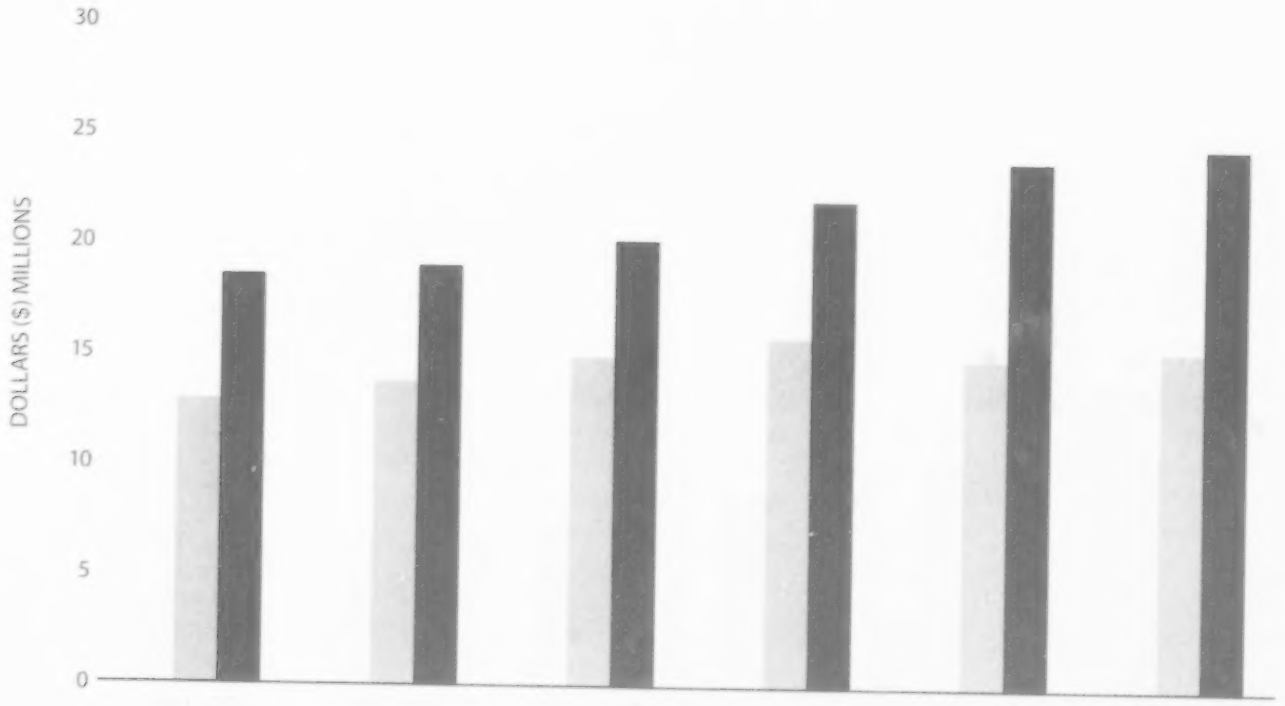
Table 1. Areas of Expenditure and PGT Strategic Goals (unaudited)

Area of Expenditure*	Strategic Goals Most Directly Affected**	Context
ESTATE AND TRUST SERVICES		
Estate and trust services are the primary PGT responsibility and accounted for $15.8M or 65% of total costs in 2009/10 and produced $13.9M or 91% of self generated revenue. Estate and trust services include the following: • Child and Youth Services - Trustee • Services to Adults – Client Services • Estate and Personal Trust Services	**Goal #1.** Property and financial interests of PGT clients will be well managed. **Goal #2.** Personal interests of PGT clients will be protected. **Goal #4.** The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients. **Goal #5.** The PGT will deliver high quality client centred services to clients.	• PGT Estate and Personal Trust Services achieved full cost recovery. The rate of recovery was 111% in 2009/10 (98% in 2008/09). • The PGT acts as a prudent investor in managing client funds with all client invested funds. These investment activities support Goal #1 by managing client property and financial interests. At March 31, 2010, the average cost per client for staff pay and benefits within the PGT Investment Management Services section was $22.07 ($21.82 at March 31, 2009).
PUBLIC SERVICES		
Public services accounted for $8.7M or 35% of total costs in 2009/10 and produced $1.4M or 9% of self generated revenue. Public services include the following which are identified by expenses and also by self generated revenues (in brackets): Child and Youth Services • Guardian of Estate $3.1M ($0.2M) • Infant Settlement Reviews $1.4M ($0.4M) • Notices $0.4M ($0.3M) • Other Miscellaneous $0.1M ($0) Services to Adults • Assessment and Investigation $1.0M ($0) • Health Care Decisions $0.8M ($0) • Private Committee Services $1.6M ($0.5M) • Notices $0.1M ($0) • Community Development $0.1M ($0) Estate and Personal Trust Services • Public Inquiry $0.1M ($0)	**Goal #1.** Property and financial interests of PGT clients will be well managed. **Goal #2.** Personal interests of PGT clients will be protected. **Goal #3.** Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner. **Goal #4.** The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients. **Goal #5.** The PGT will deliver high quality client centred services to clients.	• Under the *Health Care (Consent) and Care Facility (Admission) Act*, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports Goal #2 by protecting personal interests of PGT clients. In 2009/10, average unit cost was $1,231 ($1,141 in 2008/09). • The *Estate Administration Act* (Section 112) requires that the PGT be notified before application can be made to settle an estate involving interests of a child. These Section 112 reviews support Goal #3 by delivering statutory protective services in a timely manner. In 2009/10, cost per review was $504 ($548 in 2008/09). The PGT *Fees Regulation* allows a fee of $300 per notice for a review.

** All PGT expenditures are allocated into one of two categories according to the nature of the work, i.e., estate and trust services or public services.*

*** Goals may apply in both categories. Individual performance measures within a goal may relate more specifically to one area of expenditure or another.*

Table 2. PGT Voted funding, Revenues and Expenses, 2004/2005 - 2009/2010



	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Self Generated Revenues	6.95	7.11	7.47	8.88	10.55	10.45
Expenses	12.89	13.69	14.90	15.87	14.95	15.32
	18.53	18.85	20.13	21.95	23.79	24.51

2. Revenue and Program Costs 2009/2010

a. Introduction

The Public Guardian and Trustee (PGT) cost allocation model was developed to show revenues and costs in a meaningful way by linking resources to the costs of service provision.

The model continues to evolve in response to the changing environment in which the PGT operates and as technological improvements allow more sophistication in aligning resources and costs.

b. Revenue Sources and Variances

Revenue Sources

i. Revenue is comprised of commissions, fees and recoveries charged to PGT estate and trust clients for services rendered, monitoring fees charged to other clients and funding received from the Province of British Columbia.

Commissions and fees are charged in accordance with the *Public Guardian and Trustee Fees Regulation*.

ii. Revenue Variances [unaudited]
For the year ended March 31, 2010
($ in thousands)

Brackets in variance column indicate actual revenues in excess of budget.

	Budget	Actual	Variance	Note
Revenues				
Self-generated funding				
Commissions	$8,876	$10,153	$(1,277)	1
Asset management fees	3,000	3,080	(80)	
Estate liaison administration fees	350	465	(115)	2
Estate and personal trust services heir tracing fees	125	135	(10)	
Fees including private committee, infant settlement, and applications to court	1,200	1,259	(59)	
Cost recoveries	154	225	(71)	
Voted funding				
Funding from the Province of British Columbia	10,945	10,450	495	3
Total Revenues	**$24,650**	**$25,767**	**$(1,117)**	

iii. Explanatory Notes on Revenue Variances

1. The increase in commissions reflects an increased overall value of client assets and investments.

2. The number of estate liaison clients and the amount of overall asset values administered by the PGT were higher in 2009/10.

3. $495k of voted funding was returned to the Province of British Columbia in 2009/10.

c. Expenses and Variances

i. Expense Variances [unaudited]
For the year ended March 31, 2010
($ in thousands)

Brackets in variance column indicate actual expenses in excess of budget

	Budget	Actual	Variance	Note
Expenses				
Salaries and benefits	$17,853	$17,526	$ 327	1
Professional contracts	1,828	2,362	(534)	2
Building occupancy	1,374	1,825	(451)	3
Computer related	1,215	1,350	(135)	4
Other	1,465	1,648	(183)	5
Expense (recoveries)	(107)	(204)	97	
Total Expenses	**$23,628**	**$24,507**	**$(879)**	

ii. Explanatory Note on Expense Variances

1. In prior years, salary savings arising from vacancies have averaged 2% to 3%. In 2009/10, the rate decreased to 1.8% resulting from recruitment of the new FTEs for the delivery of the Continuous Improvement Program (CIP).

2. The increase in Professional contracts resulted from continued work on enhancing control processes during fiscal 2009/10 as per recommendations from Deloitte.

3. Building occupancy costs increased due to the need for additional space for new FTEs related to CIP and tenant improvements to enhance security measures at the PGT.

4. Computer related costs increased over budget due to continued effort as part of the PGT commitment to strengthen internal controls.

5. The increase in other expenses resulted from an adjustment to historical capital cost.

Public Guardian and Trustee of British Columbia
Allocation of Revenues and Expenditures by Program - Budget [unaudited]
Fiscal year ended March 31, 2010

($ in thousands)

	Estate and Trust Services				Public Services				
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Totals
Revenues									
Self Generated Funding									
Commissions	5,323	2,253	1,158	8,734	0	0	142	142	8,876
Asset management fees	1,675	585	704	2,964	0	0	36	36	3,000
Estate liaison administration fees	350	0	0	350	0	0	0	0	350
Estate and personal trust services heir tracing fees	0	125	0	125	0	0	0	0	125
Private committee review fees	0	0	0	0	450	0	0	450	450
Infant settlement review fees	0	0	0	0	0	0	450	450	450
Applications to Court	0	0	0	0	45	0	255	300	300
Cost recoveries	98	55	1	154	0	0	0	0	154
	7,446	3,018	1,863	12,327	495	0	883	1,378	13,705
Funding from other sources									
Voted funding									10,945
Total Revenues									24,650
Expenses									
Salaries and benefits	7,225	2,806	1,123	11,154	2,729	101	3,869	6,699	17,853
Professional contracts	756	95	106	957	239	0	632	871	1,828
Building occupancy	663	217	58	938	192	0	244	436	1,374
Computer related	300	119	438	857	141	0	217	358	1,215
Other	498	182	184	864	277	0	324	601	1,465
Expenses (recoveries)	(104)	15	(3)	(92)	(19)	0	4	(15)	(107)
Total expenses	9,338	3,434	1,906	14,678	3,559	101	5,290	8,950	23,628
	(1,892)	(416)	(43)	(2,351)	(3,064)	(101)	(4,407)	(7,572)	
Excess of Revenues over Expenses									$ 1,022

Conforms to current year presentation

Public Guardian and Trustee of British Columbia
Allocation of Revenues and Expenditures by Program - Actual [unaudited]
Fiscal year ended March 31, 2010

($ in thousands)

	Estate and Trust Services				Public Services				
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Totals
Revenues									
Self Generated Funding									
Commissions	6,159	3,020	833	10,012	0	0	141	141	10,153
Asset management fees	1,754	621	669	3,044	0	0	36	36	3,080
Estate liaison administration fees	465	0	0	465	0	0	0	0	465
Estate and personal trust services heir tracing fees	0	135	0	135	0	0	0	0	135
Private committee review fees	0	0	0	0	537	0	0	537	537
Infant settlement review fees	0	0	0	0	0	0	421	421	421
Applications to Court	0	2	0	2	45	0	254	299	301
Cost recoveries	272	74	(121)	225	0	0	0	0	225
	8,650	3,852	1,381	13,883	582	0	852	1,434	15,317
Funding from other sources									
Voted funding									10,450
Total Revenues									25,767
Expenses									
Salaries and benefits	7,294	2,733	1,182	11,209	2,659	94	3,564	6,317	17,526
Professional contracts	1,200	148	143	1,491	280	0	591	871	2,362
Building occupancy	910	277	76	1,263	248	0	314	562	1,825
Computer related	356	136	624	1,116	83	0	151	234	1,350
Other	562	201	207	970	317	0	361	678	1,648
Expenses (recoveries)	(189)	(21)	3	(207)	(38)	0	41	3	(204)
Total expenses	10,133	3,474	2,235	15,842	3,549	94	5,022	8,665	24,507
	(1,483)	378	(854)	(1,959)	(2,967)	(94)	(4,170)	(7,231)	
Excess of Revenues over Expenses									$ 1,260

Conforms to current year presentation

2009 | 2010 Financial Statements

Operating Account
Estates and Trusts Administered

PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

Financial Statements of

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Year ended March 31, 2010

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE OPERATING ACCOUNT FINANCIAL STATEMENTS OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with Canadian generally accepted accounting principles and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Jay Chalke, Q.C.
Public Guardian and Trustee

June 18, 2010

KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

AUDITORS' REPORT

We have audited the statement of financial position of the Operating Account of the Public Guardian and Trustee of British Columbia (the "PGT") as at March 31, 2010 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the PGT's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the PGT as at March 31, 2010 and the results of its operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Vancouver, Canada
June 18, 2010

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KPMG Canada provides services to KPMG LLP.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2010, with comparative figures for 2009

	2010	2009
Financial assets		
Accounts receivable (note 6(a))	$ 520	$ 687
Due from the Province of British Columbia (note 3)	22,802	20,934
	23,322	21,621
Liabilities		
Accounts payable and accrued liabilities	909	875
Net financial assets	22,413	20,746
Non-financial assets		
Tangible Capital assets (note 4)	1,172	1,579
Accumulated surplus	$ 23,585	$ 22,325

The accompanying notes are an integral part of these financial statements.

Jay Chalke, Q.C.
Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Operations and Accumulated Surplus
(Expressed in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Operating revenue	$ 15,317	$ 14,953
Funding from the Province of British Columbia (note 6(b))	10,450	10,546
	25,767	25,499
Expenses:		
Salaries and benefits (note 5)	17,526	16,244
Building occupancy (note 6(c))	1,825	1,739
Computer systems and support	1,312	1,443
Other operating and administrative costs	1,105	1,349
Professional services	784	627
Legal services	665	838
Amortization	664	734
Client expenditures	626	817
	24,507	23,791
Annual surplus	1,260	1,708
Accumulated surplus, beginning of year	22,325	20,617
Accumulated surplus, end of year	$ 23,585	$ 22,325

Contingent liabilities (note 7)

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Change in Net Financial Assets
(Expressed in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Annual surplus	$ 1,260	$ 1,708
Net acquisition of tangible capital assets	(257)	(376)
Amortization of tangible capital assets	664	734
Increase in net financial assets	1,667	2,066
Net financial assets, beginning of the year	20,746	18,680
Net financial assets, end of the year	$ 22,413	$ 20,746

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Cash Flows (note 3)
(Expressed in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Due from the Province of British Columbia increased by:		
Operating:		
Annual surplus	$ 1,260	$ 1,708
Items not affecting cash:		
Amortization	664	734
Write-off of capital assets	-	32
Change in non-cash operating items	201	(302)
	2,125	2,172
Investing:		
Acquisition of tangible capital assets	(257)	(408)
Increase in due from the Province of British Columbia	1,868	1,764
Due from the Province of British Columbia, beginning of year	20,934	19,170
Due from the Province of British Columbia, end of year	$ 22,802	$ 20,934

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2010

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1. Reporting entity:

The Public Guardian and Trustee Operating Account ("Operating Account") operates under the authority of the *Public Guardian and Trustee Act* (the "Act"). The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the Public Guardian and Trustee (the "PGT") and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial information has been prepared as of March 31, 2010 for client trust accounts, which include $786 million (2009:$768 million) of net assets held in trust.

2. Significant accounting policies:

(a) Basis of accounting:

Management has prepared these financial statements in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA").

(b) Tangible capital assets:

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Computer hardware and software are amortized over three years. All remaining assets are amortized over five years.

(c) Revenue recognition:

Operating revenues consist of commissions and fees paid by trust clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the Act. Commissions and fees are recognized in the period in which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries.

2. Significant accounting policies (continued):

(d) Client expenditures:

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(e) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. Defined contribution plan accounting has been applied to the Plan as the PGT has insufficient information to apply defined benefit plan accounting. Accordingly, the PGT's contributions are expensed in the year in which the services are rendered and represent its total pension obligation.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant area requiring the use of management estimates is the estimation of the collectability of accounts receivable. Actual results could differ from these estimates.

(g) Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

(h) Segmented information:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. As the Operating Account's sole activity is the managing of services provided to clients of the PGT, additional disclosure is not required.

3. Due from the Province of British Columbia:

The PGT uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the net financial transactions of the Operating Account.

4. Tangible capital assets:

	Cost	Accumulated depreciation	2010 Net book value	2009 Net book value
Operating equipment	$ 72	$ 26	$ 46	$ 60
Furniture and equipment	268	101	167	85
Personal computer software	375	292	83	28
Computer hardware - less than $10,000	588	458	130	169
Server computer software	2,813	2,212	601	1,037
Computer hardware - greater than $10,000	433	406	27	30
Tenant improvement	704	586	118	170
	$ 5,253	$ 4,081	$ 1,172	$ 1,579

Cost includes fully amortized assets that are still in use of $1,485 (2009:$1,103).

5. Employee benefit plans:

The PGT and all eligible employees contribute to the Public Service Pension Plan, a multi-employer, defined benefit, and joint trusteeship plan, established for certain British Columbia public service employees. The British Columbia Pension Corporation administers the Plan, including payments of pension benefits to eligible employees. A board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits.

The Plan is contributory, and its basic benefits are based on years of service and average earnings at retirement. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan members and will be reflected in their future contributions.

Every three years an actuarial valuation is performed to assess the financial position of the pension plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2008 reported a surplus.

Pension expense for 2010, included in salaries and benefits expense, was $1,290 (2009:$1,202).

6. Related party transactions:

The Public Guardian and Trustee is a corporation sole. All transactions with related parties, including the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at exchange amount, which reflects fair value unless otherwise disclosed in these notes.

(a) Accounts receivable includes, in part, amounts due from estates and trusts administered by the PGT of $495 (2009:$551).

(b) A transfer of $10,450 (2009:$10,546) from a sub-vote of the Ministry of Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.

(c) The PGT's Vancouver office, Vancouver Island regional office, Interior/North regional office and warehouse facility are provided through Accommodation and Real Estate Services, a division of the Ministry of Labour and Citizens' Services. Total building occupancy payments for 2010 were $1,825 (2009:$1,739). These building occupancy arrangements expire in 2011, 2011, 2012 and 2013, respectively, and have a six-month termination notice without penalty.

(d) Certain financial and administrative services and post-employment benefits are provided centrally by various ministries and agencies of the government of British Columbia. The costs of these services are not charged to the Operating Account and are therefore not included in these financial statements.

7. Contingent liabilities:

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out his duties. Under Section 21 of the Act, monies required to discharge any liability or claim against the PGT must be paid out of the consolidated revenue fund of the Province of British Columbia.

8. Financial instruments and risk management:

(a) Liquidity risk:

Liquidity risk is the risk that the Operating Account is unable to meet its financial obligations as they come due. The PGT is a corporation established by provincial law and as such is supported by the resources of the Provincial Government. Accordingly, management does not believe the Operating Account is exposed to significant liquidity risk.

(b) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The PGT's receivables are due from the Province of British Columbia or from client estate and trust accounts administered by the PGT. Accordingly, such receivables are not exposed to significant credit risk.

(c) Currency risk:

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. The Operating Account does not hold significant financial assets or have significant financial obligations denominated in other than Canadian dollars. Accordingly, the Operating Account is not exposed to significant currency risk.

(d) Interest rate risk:

Interest rate risk is the risk that the value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. The Operating Account does not hold significant interest bearing investments. Accordingly, the Operating Account is not exposed to significant interest rate risk.

(e) Other price risk:

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Operating Account does not hold financial instruments subject to other price risk. Accordingly, the Operating Account is not exposed to significant other price risk.

(f) Fair value:

In the opinion of management, the fair value of the Operating Account's financial instruments, which include due from the Province of British Columbia, accounts receivable, and accounts payable and accrued liabilities are not materially different from their carrying value.

Financial Information

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Estates and Trusts Administered

Year ended March 31, 2010

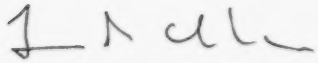
PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE ESTATES AND TRUSTS ADMINISTERED FINANCIAL INFORMATION OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial information and is responsible for its integrity and objectivity. The financial information is prepared in conformity with the basis of accounting presented in note 2(a) to the statements and includes amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial information and their report follows.



Jay Chalke, Q.C.
Public Guardian and Trustee

June 18, 2010

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AUDITORS' REPORT ON STATEMENT OF NET ASSETS HELD IN TRUST AND STATEMENT OF CHANGES IN NET ASSETS HELD IN TRUST

To the Public Guardian and Trustee of British Columbia

We have audited the statement of net assets held in trust by the Public Guardian and Trustee of British Columbia (the "PGT") as at March 31, 2010 and the statement of changes in net assets held in trust for the year then ended. This financial information has been presented in accordance with the basis of accounting presented in note 2(a) to the statements. This financial information is the responsibility of the PGT's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this financial information presents fairly, in all material respects, the net assets held in trust by the PGT as at March 31, 2010 and the changes in net assets held in trust for the year then ended in accordance with the basis of accounting described in note 2(a).

KPMG LLP

Chartered Accountants

Vancouver, Canada
June 18, 2010

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KPMG Canada provides services to KPMG LLP.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Estates and Trusts Administered

Statement of Net Assets Held in Trust
(Expressed in thousands of dollars)

March 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Premium money market fund (note 3)	$ 472,103	$ 463,060
Balanced income fund (note 4)	23,384	20,377
Balanced growth fund (note 5)	62,682	53,248
Other investments and securities (note 6)	102,158	89,363
Other financial assets (note 7)	11,811	13,404
Real property (note 8)	129,735	142,673
Other assets	7,139	6,540
	809,012	788,665
Liabilities		
Accounts payable	7,524	4,461
Mortgages and loans payable	14,526	14,794
Payable to the Public Guardian and Trustee Operating Account (note 10)	466	551
	22,516	19,806
Net Assets Held in Trust	$ 786,496	$ 768,859

The accompanying notes are an integral part of this financial information.

Jay Chalke, Q.C.
Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Estates and Trusts Administered

Statement of Changes to Net Assets Held in Trust
(Expressed in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	Premium money market fund	Balanced income fund	Balanced growth fund	Other investments and securities	Other financial assets	Real property	2010 Total	2009 Total
Income:								
Pensions, benefits and settlements	$ 71,022	$ -	$ -	$ -	$ -	$ -	$ 71,022	$ 77,241
Interest and dividends	8,507	765	2,070	2,462	-	-	13,804	21,547
	79,529	765	2,070	2,462	-	-	84,826	98,788
Expenses:								
Payments for client care and maintenance (note 9)	53,337	-	-	-	-	-	53,337	48,843
Commissions and fees paid to the Public Guardian and Trustee Operating Account (note 10)	14,620	124	258	-	-	-	15,002	14,594
Professional services (note 11)	7,593	58	123	242	-	-	8,016	7,604
Taxes paid from trust funds	5,016	-	-	6	-	-	5,022	5,880
	80,566	182	381	248	-	-	81,377	76,921
Net income (loss) before realized and unrealized gains/losses	(1,037)	583	1,689	2,214	-	-	3,449	21,867
Realized and unrealized gains/losses:								
Net realized gains (losses) on assets sold or released	-	(26)	(1,168)	(140)	-	(1,477)	(2,811)	2,884
Change in unrealized gains/losses	(3,064)	2,580	10,350	10,983	-	(3,686)	17,163	(37,381)
	(3,064)	2,554	9,182	10,843	-	(5,163)	14,352	(34,497)
	(4,101)	3,137	10,871	13,057	-	(5,163)	17,801	(12,630)
Other changes in assets held in trust:								
Assets acquired	-	-	-	35,375	34,555	54,174	124,104	156,401
Assets purchased from trust funds	(2,324)	-	-	-	-	1,640	(684)	(758)
Assets sold or collected	-	-	-	(24,267)	(32,927)	(42,753)	(99,947)	(83,888)
Net proceeds from sale or collection of assets	97,151	-	-	-	306	-	97,456	81,938
Transfers between investment funds	2,950	(130)	(1,437)	(1,383)	-	-	-	-
Assets released to clients, beneficiaries and heirs	-	-	-	(9,987)	(3,527)	(20,836)	(34,350)	(33,619)
Cash distributions to clients, beneficiaries and heirs	(83,009)	-	-	-	-	-	(83,009)	(87,609)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society (note 12)	(1,623)	-	-	-	-	-	(1,623)	(1,335)
	13,144	(130)	(1,437)	(262)	(1,593)	(7,775)	1,947	31,130
Net increase (decrease) in assets excluding Other assets	9,043	3,007	9,434	12,795	(1,593)	(12,938)	19,748	18,500
Assets excluding Other assets, beginning of year	463,060	20,377	53,248	89,363	13,404	142,673	782,125	763,625
Assets excluding Other assets, end of year	$ 472,103	$ 23,384	$ 62,682	$ 102,158	$ 11,811	$ 129,735	801,873	782,125
Other assets less liabilities							(15,377)	(13,266)
Net assets held in trust							$ 786,496	$ 768,859

The accompanying notes are an integral part of this financial information.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Estates and Trusts Administered

Notes to Financial Information
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2010

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1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the "PGT") operates under the *Public Guardian and Trustee Act* (the "Act") and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

These statements reflect the net assets held in trust and activity for the estates and trusts administered by the PGT. Separate financial statements have been prepared for the PGT Operating Account, which report the revenues, expenses and capital expenditures of the PGT.

2. Summary of significant accounting policies:

(a) Basis of accounting:

The basis of accounting for real property assets materially differs from Canadian generally accepted accounting principles ("GAAP") because real property assets are carried at fair value. Under Canadian generally accepted accounting principles, real property assets are required to be carried at cost. In all other respects, this financial information has been prepared in accordance with Canadian GAAP.

This financial information has been prepared on a basis consistent with prior years and meets the requirements of Section 25 of the Act.

(b) Valuation of assets and liabilities:

On initial recognition, assets and liabilities are recorded at fair value on the effective date the PGT commences administration of the asset or liability, which is the date of death for estate administration, the date of PGT appointment for trust administration or the date that the estate or trust assumed beneficial ownership for assets and liabilities acquired after PGT appointment.

Premium money market fund investments, balanced income fund, balanced growth fund and other investments and securities are classified as held-for-trading and are carried at fair value, as determined from valuation data provided by investment service providers.

Other financial assets are classified as loans and receivables and are carried at amortized cost.

2. Summary of significant accounting policies (continued):

(b) Valuation of assets and liabilities (continued):

Real property is carried at fair value, as determined by professional appraisals or, where an appraisal is not available or is not current, as determined from the most recent British Columbia Assessment Authority property assessment or other relevant valuation data.

Other assets include jewellery, collectibles, intangibles, vehicles and effects and are carried at cost, which represents the estimated fair value of the asset on the effective date that the PGT commenced administration of the asset.

All financial liabilities are classified as other liabilities and are carried at amortized cost.

(c) Management of investments and financial risks:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under his authority. The PGT must exercise the care, skill, diligence and judgement of a prudent investor for his clients.

Under Section 12 of the Act, the PGT is permitted to create common funds within the trust fund account. The PGT has established three common funds called the Premium Money Market Fund ("PMMF"), the Balanced Income Fund ("BIF"), and the Balanced Growth Fund ("BGF"). The PMMF holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The BIF and the BGF hold investments which are appropriate for clients with longer term investment horizons.

Under Section 13(1) of the Act, the PGT is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by BC Investment Management Corporation ("bcIMC"), an independently managed Crown corporation. Other investments are managed by private investment management firms.

2. Summary of significant accounting policies (continued):

(c) Management of investments and financial risks (continued):

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and risk profile of the three common funds and other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on client risk tolerance. Four investment portfolio asset mix models are used and client investment portfolios are allocated amongst the three common funds as follows:

Asset Mix	Fixed Income	Equity	Investment portfolio allocation
Model A	40%	60%	Balanced Growth Fund
Model B	60%	40%	Balanced Income Fund
Model C	80%	20%	Blend of Balanced Income Fund and Premium Money Market Fund
Model D	100%	0%	Premium Money Market Fund

Assets in "other investments and securities" represent individual client accounts and each is managed in accordance with the above target asset mix policies.

PGT client investments are exposed to a variety of financial risks: liquidity risk, credit risk, and market risk (comprised of interest rate risk, other price risk, and currency risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

Liquidity risk

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The investment policy established by the PGT limits credit risk by limiting the maximum exposure to one single issuer and by investing only in debt securities from governments and corporations with a minimum rating of at least "BBB" or "R-1" as defined by Moody's, Standard & Poor's or Dominion Bond Rating Service. The funds' compliance with policy asset mix and investment guidelines is reviewed quarterly by management and the PGT Investment Advisory Committee.

2. Summary of significant accounting policies (continued):

(c) Management of investments and financial risks (continued):

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. Interest rate risk is managed by PGT through established asset mix policies.

Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk is managed by PGT through established asset mix policies.

Currency risk

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. Currency risk is managed by PGT through established asset mix policies.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual value ultimately realized may differ from these estimates.

(e) Gains and losses on assets:

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment of the client (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of changes to net assets held in trust.

2. Summary of significant accounting policies (continued):

(f) Adoption of new accounting standards:

In June 2009, the CICA Accounting Standards Board issued amendments to CICA Handbook Section 3862, *Financial Instruments – Disclosures* (the "3862 Amendments") which are applicable for fiscal years ending after September 30, 2009. The amendments require additional disclosure for fair value measurements, including the level in a fair value hierarchy that reflects the significance of the inputs used in making the measurements (Level 1, Level 2 and Level 3 inputs as defined in the standard). The PGT has implemented these amendments in the current year financial statements – see Note 13.

(g) Future accounting changes:

Effective for fiscal years commencing on or after January 1, 2011, the Canadian Accounting Standards Board has confirmed its plan to amend the general framework for financial reporting for publicly accountable enterprises. Accordingly, PGT is currently evaluating alternative financial reporting frameworks.

(h) Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation used in the current year.

3. Premium money market fund:

The strategic investment policy for the PMMF requires that the bond securities held must be "A low" rated or better and all short term money market instruments held must be "R-1" rated or better. The target asset mix for the PMMF is 35% Canadian government guaranteed bonds with a maximum term to maturity of 5 years and 65% government and corporate money market securities with a maximum term of 15 months.

3. Premium money market fund (continued):

Credit risk

The amount recorded for the PMMF on the statement of net assets held in trust represents the maximum credit risk associated with the PMMF. As at March 31, 2010 and 2009, the PMMF was comprised of cash and debt instruments with credit ratings as follows:

	2010		2009	
	Amount	%	Amount	%
Segregated bonds				
AAA	$ 99,728	21%	$ 103,742	22%
AA	18,723	4	16,165	3
A	46,374	10	44,390	10
	164,825	35	164,297	35
Money market:				
R-1 or better	308,223	65	306,145	66
Cash (overdraft)	(945)	-	(7,382)	(1)
	307,278	65	298,763	65
	$ 472,103	100%	$ 463,060	100%

Interest rate risk

Debt instruments held within the PMMF mature on the following basis:

	2010	2009
Cash (overdraft), with no fixed maturity	$ (945)	$ (7,382)
Debt instruments:		
Less than one year	351,398	348,260
One to three years	59,157	53,201
Three years to five years	62,493	68,981
	$ 472,103	$ 463,060

As at March 31, 2010, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets held in trust, would have increased or decreased, respectively, by approximately $4.6 million (2009: $2.1 million).

3. Premium money market fund (continued):

Other price risk

The PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments (2009: nil).

Currency risk

The PMMF is not exposed to currency risk as all securities are denominated in Canadian dollars (2009: nil).

4. Balanced income fund:

The BIF is a fund of funds unitized pool of investments managed by an independent investment manager. The investment objective is to enhance returns for investors with a low to moderate level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 60% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities, and 40% domestic and international equities, invested through indexed pooled funds.

Credit risk and interest rate risk

The BIF's maximum exposure to credit risk as at March 31, 2010 is $14.5 million (2009: $12.2 million), representing the proportion of debt instruments within the BIF at March 31, 2010. The BIF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration within 20% of the DEX Universe Bond Index.

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2010, if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have increased or decreased, respectively, by approximately $0.8 million (2009: $0.5 million).

Other price risk

The BIF's maximum exposure to other price risk as at March 31, 2010 is $9.8 million (2009: $8.2 million), representing the proportion of equity instruments within the BIF at March 31, 2010. As the BIF uses an indexed pooled and portfolio strategy, the BIF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BIF due to a 10% change in benchmark, using historical correlation between the return of the BIF units as compared to the BIF's benchmark, as at March 31, 2010, with all other variables held constant, would be an increase or decease to the fair value of the BIF, and accordingly net assets held in trust, of $1.0 million, (2009: $0.8 million).

4. Balanced income fund (continued):

Currency risk

The BIF's maximum exposure to currency risk at March 31, 2010 is $6.7 million (2009: $5.7 million), representing the proportion of international equity investments within the BIF at March 31, 2010, of which $3.4 million (2009: $2.9 million), is exposed to US dollars and $3.3 million (2009: $2.9 million) is exposed to other international currencies.

As at March 31, 2010, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately $0.1 million (2009: $0.1 million).

5. Balanced growth fund:

The BGF is a fund of funds unitized pool of investments managed by an independent investment manager. The investment objective of the BGF is to enhance long-term returns for investors with a moderate to high level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 40% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities and 60% domestic and international equities, invested through indexed pooled funds.

Credit risk and interest rate risk

The BGF's maximum exposure to credit risk as at March 31, 2010 is $24.5 million (2009: $21.3 million), representing the proportion of debt instruments within the BGF at March 31, 2010. The BGF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration within 20% of the DEX Universe Bond Index.

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2010, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have increased or decreased by approximately $1.3 million (2009: $1.2 million).

Other price risk

The BGF's maximum exposure to other price risk as at March 31, 2010 is $38.8 million (2009: $31.9 million), representing the proportion of equity instruments within the BGF at March 31, 2010. As the BGF uses an indexed pooled fund portfolio strategy, the BGF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BGF due to a 10% change in benchmark, using historical correlation between the return of the BGF units as compared to the BGF's benchmark, as at March 31, 2010, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets held in trust, of $3.9 million (2009: $3.2 million).

5. Balanced growth fund (continue):

Currency risk

The BGF's maximum exposure to currency risk at March 31, 2010 is $25.6 million, (2009: $21.3 million), representing the proportion of international equity investments within the BGF at March 31, 2010, of which $13.0 million (2009: $10.6 million) is exposed to US dollars and $12.6 million (2009: $10.6 million) is exposed to other international currencies.

As at March 31, 2010, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately $0.5 million (2009: $0.4 million).

6. Other investments and securities:

	2010	2009
Investment portfolios	$ 56,596	$ 46,888
Registered plans	15,955	13,193
Other investments and securities	29,607	29,282
	$ 102,158	$ 89,363

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, other price and currency risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 13) would not provide additional meaningful information.

7. Other financial assets:

Other financial assets include funds in numerous and varied external accounts and amounts receivable.

8. Real property:

Real property includes land, buildings and manufactured homes. Approximately 99% (2009 : 99%) of the fair value of real properties is related to properties located in British Columbia.

9. Payments for client care and maintenance:

Client care and maintenance costs represent goods and services purchased for clients and for personal living expenses, including payments to care facilities.

10. Commissions and fees paid to the Public Guardian and Trustee Operating Account:

Commissions and fees are paid on behalf of clients for services provided by the PGT in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act.

Amount payable to the PGT Operating Account at March 31, 2010 and 2009 consists of:

	2010	2009
Total amount payable to PGT Operating Account	$ 495	$ 551
Less: payables reflected in fair value of funds:		
Balanced Income Fund	(8)	-
Balanced Growth Fund	(21)	-
	$ 466	$ 551

11. Professional services:

Professional services are payments on behalf of clients for services such as accounting, legal, investment management, custodial, funeral and property management.

12. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:

Unclaimed assets are transferred quarterly to the British Columbia Unclaimed Property Society when they are deemed inactive by the PGT under Section 27.1 of the Act.

13. Fair values:

The PMMF, BIF, BGF and other investments and securities are reflected in the statement of net assets held in trust at fair value. In management's opinion, the fair values of other financial assets, accounts payable, mortgages and loans payable, and amounts payable to the PGT Operating Account are not materially different from the carrying value.

Fair Value Hierarchy

The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted prices in active markets for identical assets or liabilities that the PGT has the ability to access at the measurement date.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are unobservable: There is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The following table illustrates the classification of the PMMF, BIF and BGF within the fair value hierarchy as at March 31, 2010:

	Level 1	Level 2	Level 3	Total
PMMF	$ -	$ 472,103	$ -	$ 472,103
BIF	-	23,384	-	23,384
BGF	-	62,682	-	62,682
	$ -	$ 558,169	$ -	$ 558,169

For the year ended March 31, 2010, there were no significant transfers between Level 1 and Level 2.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Investment Advisory Committee members

Denise Ching
Stan Hamilton
Dale Parker
Denis Bérubé

Audit Advisory Committee members

Barry Elkin
Jim Crone
Peter Gregory